



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: April 18, 2017
MAHS Docket No.: 17-002531
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Michael J. Bennane

HEARING DECISION

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on [REDACTED], from Detroit, Michigan. The Petitioner was present for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist; and [REDACTED], Eligibility Specialist. [REDACTED] served as translator during the hearing.

ISSUE

Did the Department properly calculate Petitioner's Medical Assistance (MA) deductible for [REDACTED], ongoing?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner is an ongoing recipient of MA - Group 2 Spend-Down (G2S) benefits. [Exhibit D, p. 1.]
2. Petitioner, his spouse, and his son live together; and they reside in [REDACTED] County. [Exhibit B, p. 2.]
3. Petitioner and his spouse receive a total gross unearned income of [REDACTED] which consists of pension/retirement income and Retirement, Survivors, and Disability Insurance (RSDI) income. [Exhibit B, p. 5] and [Exhibit D, pp. 5-10.]

4. On [REDACTED], Petitioner submitted his Redetermination (DHS-1010). [Exhibit B, pp. 1-8.]
5. On [REDACTED], the Department sent Petitioner a Verification Checklist (VCL), which requested verification of his checking account (asset verification). The VCL was due back by [REDACTED]. [Exhibit C, pp. 1-2.]
6. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice notifying him that he and his spouse's MA benefits would close effective [REDACTED], ongoing, due to his failure to submit the asset verification. [Exhibit A, pp. 1-4.]
7. On an unspecified date, Petitioner submitted his asset verification.
8. Petitioner is eligible for MA - G2S coverage, subject to a [REDACTED] deductible. [Exhibit D, p. 1.]
9. On [REDACTED], Petitioner filed a hearing request, protesting the Department's action.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

As a preliminary matter, the Department did send Petitioner a Health Care Coverage Determination Notice notifying him that he and his spouse's MA benefits would close effective [REDACTED], ongoing, due to his failure to submit the asset verification. [Exhibit A, pp. 1-4.] However, during the hearing, it was discovered that Petitioner did return the asset verification. It then appears that the Department redetermined his MA eligibility based on the submitted redetermination/verification, which resulted in Petitioner being found eligible for MA - G2S coverage, subject to a [REDACTED] deductible. [Exhibit D, p. 1.] Petitioner ultimately disputed his MA deductible and the Department presented a MA - G2S budget effective [REDACTED]. [See Exhibit D, p. 1.] The undersigned will now determine if the Department properly calculated Petitioner's MA - G2S budget effective [REDACTED].

In the present case, Petitioner and his spouse both live together and reside in ██████ County. Therefore, Petitioner and his spouse's fiscal group size is two. See BEM 211 (January 2016), p. 8. Moreover, the Department will consider Petitioner and his spouse's total income when determining the calculation of his deductible. See BEM 211, p. 8.

G2S is a Supplemental Security Income (SSI)-related Group 2 MA category. See BEM 166 (April 2017), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. BEM 166, p. 1.

In this case, the Department calculated Petitioner's total gross unearned income to be ██████, which consists of Petitioner and his spouse's pension/retirement income and RSDI income. [Exhibit B, p. 5] and [Exhibit D, pp. 5-10] and see BEM 503 (April 2017), pp. 27-28. (The Department counts the gross benefit amount as unearned income for RSDI and pension/retirement income). Petitioner did not dispute this amount.

The Department then properly subtracted the ██████ disregard to establish Petitioner's total net unearned income of ██████. [Exhibit D, p. 1] and BEM 541 (April 2017) p. 3.

Next, the Department does provide budget credits, which can reduce the total net income and more importantly, the deductible amount. Petitioner argued that he had additional expenses, such as copays and transportation. However, these expenses would have to be applied towards the deductible. Moreover, Petitioner did not provide any proof of such expenses. In summary, Petitioner did not qualify for any budget credits, such as insurance premiums.

Finally, individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, p. 1; BEM 166, p. 2; BEM 544 (July 2016), p. 1; and RFT 240 (December 2013), p. 1. The monthly PIL for an MA group of two living in ██████ County is ██████ per month. RFT 200 (April 2017), pp. 1-2 and RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of ██████, may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (January 2017), p. 1.


Based on the above policy, Petitioner's countable income of ██████ for MA purposes exceeds the monthly protected income level of ██████ by ██████. [Exhibit D, p. 1.] Thus, the Department properly calculated Petitioner's MA - G2S deductible to be ██████ effective ██████, in accordance with Department policy.

DECISION AND ORDER

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it properly calculated Petitioner's MA - G2S deductible to be [REDACTED] effective [REDACTED].

Accordingly, the Department's MA decision is **AFFIRMED**.

EJF for MJB/jaf



Michael J. Bennane
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

[REDACTED]

Petitioner

[REDACTED]

[REDACTED]