



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: April 26, 2017
MAHS Docket No.: 17-002670
Agency No.: ██████████
Petitioner: ██████████

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 ██████████, from Detroit, Michigan. The Petitioner appeared for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by ██████████, Family Independence Manager, and ██████████, Family Independence Specialist.

ISSUE

Did the Department properly determine that Petitioner was eligible for Medical Assistance (MA) benefits subject to a monthly deductible of \$██████

FINDINGS OF FACT

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

1. On ██████████, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective ██████████, he was eligible for MA benefits with a monthly deductible of \$██████ (Exhibit A)
2. Petitioner receives gross monthly income from Retirement, Survivors and Disability Insurance (RSDI) benefits in the amount of \$██████ (Exhibit C)
3. On ██████████, Petitioner requested a hearing disputing the Department’s actions with respect to his MA case, specifically the calculation of his monthly deductible.

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.

In this case, Petitioner requested a hearing disputing the Department's actions with respect to his MA benefits. Specifically, Petitioner disputed the amount of his deductible effective [REDACTED].

Petitioner, who receives RSDI and is enrolled in Medicare, is eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age [REDACTED] BEM 105 (October 2016), p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (January 2017), p 10. 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, pp. 1-2; BEM 166, pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (December 2013), p 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one (Petitioner) living in [REDACTED] County is \$[REDACTED] per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p 1. Thus, if Petitioner's net monthly income is in excess of the \$[REDACTED], he may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds \$[REDACTED]. BEM 545, p 1.

The Department produced an SSI-Related MA budget showing how the deductible in Petitioner's case was calculated. (Exhibit D). The Department testified that it determined Petitioner had unearned income from monthly RSDI in the amount of \$[REDACTED]. Petitioner confirmed that he receives monthly RSDI in the amount of \$[REDACTED] and the SOLQ was presented in support of the Department's income calculation. The budget shows that the Department properly subtracted the \$[REDACTED] unearned income general exclusion to determine that Petitioner's had net income for MA purposes of \$[REDACTED]. An additional \$[REDACTED]

deduction was applied for the COLA Exclusion. Petitioner testified that he is responsible for monthly insurance premiums which were not reflected on the budget. BEM 530, pp 1-4; BEM 541, pp.2-3.

There was some additional testimony regarding Petitioner's submission of medical expenses to be applied to his monthly deductible for the applicable months. (Exhibit E). Petitioner testified that he had incurred sufficient expenses to meet his deductible. BEM 545. The Department did not establish or otherwise explain whether the expenses were processed and applied to Petitioner's MA deductible as ongoing medical expenses or monthly expenses.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it calculated Petitioner's MA deductible for [REDACTED], ongoing and processed Petitioner's medical expenses.

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Recalculate Petitioner's MA deductible for [REDACTED], ongoing;
2. Process Petitioner's medical expenses incurred and apply them towards his MA deductible for the applicable period;
3. Provide Petitioner with MA coverage that he was entitled to receive but did not from [REDACTED], ongoing, and
4. Notify Petitioner of its decision in writing.

ZB 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

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

DHHS

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]