



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 14, 2018  
MAHS Docket No.: 18-000182  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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; 42 CFR 438.400 to 438.424; 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 March 12, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly determine Petitioner's placement in the Medical Assistance (MA) programs?

**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 November 4, 2017, the Department issued a Redetermination to Petitioner to be completed and returned by December 4, 2017.
2. On November 22, 2017, Petitioner returned the completed form to the Department.
3. During the processing of the Redetermination, the Department completed a Work Number search of Petitioner's wife to determine if she had income and it was discovered that she was working at [REDACTED]
4. Upon later review of the file, the Department determined that Petitioner had properly informed the Department of his wife's income but it was overlooked during previous eligibility determinations by the case worker.

5. On December 15, 2017, the Department issued a Health Care Coverage Determination Notice (HCCDN) moving Petitioner from the MA Ad-Care program to the G2S program with a deductible of \$ [REDACTED]
6. On January 2, 2018, Petitioner submitted a hearing request disputing the changes in his MA benefits.

### **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 was removed from the Ad-Care MA program and placed in the G2S program after consideration of his wife's income. Medicaid is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. BEM 105 (April 2017), p. 1.

Petitioner is not under age 21 or pregnant nor does he receive Medicare. No evidence was presented that Petitioner was a parent, caretaker, or former foster child. Therefore, the programs for each of these groups are inapplicable to the Petitioner.

HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. MPM, Healthy Michigan Plan, § 1.1. A determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents.

Petitioner is a non-tax filer; however, his wife files taxes. The household for a non-tax filer who is not claimed as a tax dependent, consists of the individual and, if living with

the individual, their spouse among others. BEM 211, p. 2. Even if Petitioner was claimed as a dependent by his wife, his household size would remain as two. BEM 211, p. 2. With a household size of two, 133% of the federal poverty limit is \$21,599.20. <https://aspe.hhs.gov/2017-poverty-guidelines>.

Based upon the Work Number Report, Petitioner's household had monthly income of \$[REDACTED] and annualized income of \$[REDACTED]. Therefore, his household income is greater than 133% of the federal poverty limit for a group size of two. However, if an individual's group income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2. 5% of the FPL for a two-person group is \$[REDACTED]. Petitioner's household's annual income of \$[REDACTED] less \$[REDACTED] is \$[REDACTED]. Petitioner's income even after consideration of the 5% disregard remains over the HMP income limit of \$[REDACTED]. Petitioner is not income-eligible for HMP even when the 5% disregard is applied. Therefore, the Department properly determined that Petitioner was not eligible for MA under the HMP program.

In determining the SSI-related MA category Petitioner is eligible to receive, the Department must determine Petitioner's MA fiscal group size and net income. Petitioner is married; therefore, his group size for SSI-related MA purposes is two. BEM 211 (January 2016), p. 8. Petitioner has \$[REDACTED] in income for himself; Petitioner's wife has income from DMC and their total household monthly income is \$[REDACTED].

The Ad-Care program requires that net group income cannot exceed one hundred percent of the federal poverty level. BEM 163 (July 2017), p. 2. The 2017 federal poverty level for a two-person household is \$16,240.00. <https://aspe.hhs.gov/2017-poverty-guidelines>. The net income limit is listed in RFT 242 at \$[REDACTED] for a group size of two effective April 1, 2017. RFT 242 (April 2017), p. 1. Countable income is calculated by adding the amounts of employment income actually received/available within the past month. BEM 530 (July 2017), p. 2. A review of the SSI-Related MA budget submitted by the Department shows that the Department properly considered Petitioner's income from November 2017 as presented by the Work Number report for total wages of \$[REDACTED]. The Department then properly applied the \$[REDACTED] general exclusion. BEM 541 (January 2018), p. 3. Next, the Department applied the \$[REDACTED] plus ½ of the fiscal group's remaining earnings rule and \$[REDACTED] was properly deducted from Petitioner's income. *Id.* Therefore, Petitioner's net income is \$[REDACTED] and his income is below the net income limit. However, Petitioner's annual household income is \$[REDACTED] greater the federal poverty limit, and he is not eligible for the Ad-Care program.

Since Petitioner has excess income for eligibility under the Ad-Care program, the full coverage SSI-related MA program, an evaluation of Petitioner's eligibility for MA coverage under the Group 2 program follows. Group 2 provides MA coverage with a deductible. BEM 105, p. 1.

The deductible is the amount that the client's net income (less any allowable deductions) exceeds the applicable Group 2 MA protected income level (PIL). PIL is a

set allowance for non-medical need items such as shelter, food, and incidental expenses. BEM 544 (July 2016), p. 1. It is based on the client's MA fiscal group size and the county in which the client resides. *Id.* Petitioner resides in Macomb County and has a group size of two; therefore, he is in shelter area VI, and his PIL is \$ [REDACTED] RFT 200 (April 2017), p. 3; RFT 240 (December 2013), p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$ [REDACTED] Petitioner is eligible for MA assistance under the G2S program with a deductible equal to the amount of income remaining after the appropriate and allowed deductions which is greater than \$ [REDACTED]

As discussed above, Petitioner's net income was \$ [REDACTED]. In calculating the deductible, allowances are made for health insurance premiums and remedial services. BEM 544, pp. 1-2. No evidence was presented of health insurance premiums or remedial services for Petitioner. Therefore, Petitioner's PIL is subtracted from his net income to reach a deductible of \$ [REDACTED]. After a review of the SSI-Related MA budget and the Notice of Case Action, the Department acted in accordance with policy in changing Petitioner's MA coverage from the Ad-Care program to the G2S program with an \$ [REDACTED] deductible.

#### **DECISION AND ORDER**

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



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**Amanda M. T. Marler**  
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]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]

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