



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 25, 2018
MAHS Docket No.: 18-001314
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 April 16, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED], Petitioner's spouse, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], specialist. [REDACTED] and [REDACTED] performed [REDACTED] translation. The record was closed at the end of the hearing on the scheduled hearing date.

ISSUE

The issue is whether MDHHS properly determined Petitioner's spouse's eligibility for Medicaid.

FINDINGS OF FACT

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

1. At all relevant times, Petitioner was married to her spouse (hereinafter "Spouse").
2. At all relevant times, Spouse was disabled and/or over [REDACTED] years of age).
3. Beginning January 2018, Spouse received \$ [REDACTED]/month in monthly gross Retirement, Survivors, and Disability Insurance (RSDI) benefits. The benefit amount was a \$ [REDACTED] increase from December 2017 due to a cost-of-living adjustment (COLA).

4. At all relevant times, Spouse received ongoing pension benefits of \$ [REDACTED]/month.
5. At all relevant times, Petitioner and Spouse did not have employment income, guardianship and/or conservator expenses.
6. At all relevant times, Spouse had, at most, \$ [REDACTED] in insurance premiums.
7. In January 2018, Petitioner and Spouse received ongoing Medicaid subject to an \$ [REDACTED] monthly deductible. Petitioner's and Spouse's eligibility was based, in part, on monthly gross income of \$ [REDACTED] and monthly health insurance premiums of \$ [REDACTED].
8. On February 1, 2018, Petitioner requested a hearing to dispute Spouse's determination of Medicaid subject to a deductible.

CONCLUSIONS OF LAW

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute Spouse's eligibility of Medicaid subject to a monthly deductible; the precise benefit month in dispute was less clear. It was established that Spouse was eligible for Medicaid subject to an \$ [REDACTED]/month deductible at least since January 2018. Neither Petitioner's nor Spouse's hearing request or testimony referenced any disputed determinations other than ongoing Medicaid eligibility. It is not known how long Spouse received Medicaid subject to an \$ [REDACTED]/month deductible, so it cannot be precisely determined which benefit months Petitioner intended to dispute. Hearing discussions were limited to Spouse's MA eligibility since January 2018. Based on the evidence, Petitioner's dispute will be framed as whether MDHHS properly determined Spouse's Medicaid eligibility from January 2018

Medicaid is also known as Medical Assistance (MA). BEM 105 (April 2017), p. 1. The Medicaid program comprise several sub-programs or categories. *Id.* To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

The evidence provided no indication that Spouse qualified for any Medicaid category through MAGI. Spouse was disabled and/or aged. As a disabled and/or aged individual, Spouse is potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care eligibility.

Gross amount means the amount of RSDI before any deduction, such as Medicare. BEM 163 (July 2017), p. 2. [For all programs,] Bridges counts the gross [RSDI] benefit amount as unearned income. BEM 503 (July 2017), p. 31. BEM 500 lists some exceptions to counting gross RSDI in determining program eligibility (e.g. Medicare premium refunds, returned benefits (see BEM 500), fees paid to qualified organizations acting as a payee...); the evidence was not indicative that any exceptions were applicable to the present case.

In determining Petitioner's AD-Care eligibility, MDHHS added Spouse's gross RSDI income (\$██████) and his pension income (\$██████) for a total countable income of \$██████. The calculation was consistent with MDHHS policy.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for January through March only). Looking at Spouse's AD-Care eligibility for January 2018 requires subtracting a \$██████ COLA from Spouse's income. Spouse's countable income for purposes of AD-Care eligibility is \$██████ (dropping cents).

Net income cannot exceed one hundred percent of the federal poverty level. *Id.*, p. 2. The net income limit can be determined by subtracting twenty dollars from the income limits listed in table one of RFT 242. *Id.* The income limit for a two-person AD-Care group is \$██████ RFT 242 (April 2017) p. 1.

Spouse's countable income of \$██████ exceeds the AD-Care limit listed in RFT 242. Thus, Spouse is not eligible for Medicaid through AD-Care.

Spouse may still receive Medicaid subject to a monthly deductible through the G2S program. Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses... that equal or exceed the deductible amount for the calendar month. BEM 545 (July 2016), p. 11.

The G2S budget allows a \$20 disregard for unearned income and various earned income disregards. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services. Spouse's

testimony denied he had insurance expenses; despite Spouse's testimony, MDHHS factored insurance premiums of \$ [REDACTED] MDHHS' inclusion of an insurance premium cost can only result in a more favorable outcome for Spouse. For purposes of this decision, the insurance premiums factored by MDHHS will be accepted as correct.

A client's deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A PIL is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's shelter area and group size is \$ [REDACTED] (see RFT 240 (December 2013), p. 1).

Subtracting the PIL, insurance premiums, and \$20 disregard from Spouse's countable income results in a monthly deductible of \$ [REDACTED] (rounding to nearest dollar), the same amount calculated by MDHHS. It is found that MDHHS properly determined Spouse's Medicaid eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner's spouse to be eligible for Medicaid subject to an \$ [REDACTED]/month deductible. The actions taken by MDHHS are **AFFIRMED**.

CG/



Christian Gardocki

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]
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