



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: June 14, 2018
MAHS Docket No.: 18-004151
Agency No.: ██████████
Petitioner: ██████████

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 June 14, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. ██████████, Petitioner's spouse (hereinafter "Spouse"), testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Lynda Brown, hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Spouse's eligibility for Medicaid (MA).

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 Spouse.
2. At all relevant times, Spouse was disabled.
3. Spouse was an ongoing recipient of Medicaid.
4. Petitioner received ongoing gross Retirement, Survivors and Disability Insurance (RSDI) of \$█████/month. Spouse received ongoing gross RSDI of \$█████/month. Spouse's RSDI was reduced \$█████/month for a Part B Medicare premium.

5. On April 5, 2018, MDHHS determined that Spouse was eligible for Medicaid, subject to a \$ [REDACTED] /month deductible, effective May 2018.
6. On April 17, 2018, Spouse requested a hearing to dispute her MA eligibility from May 2018.

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).

Spouse requested a hearing to dispute a determination of Medicaid to be effective May 2018. MDHHS presented a Health Care Coverage Determination Notice (HCCDN) (Exhibit A, pp. 1-3) which stated that Spouse was eligible for Medicaid subject to a \$ [REDACTED] /month deductible beginning May 2018.

Medicaid is also known as Medical Assistance (MA). The Medicaid program comprise several sub-programs or categories. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. 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. BEM 105 (April 2017), p. 1.

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

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 Spouse's AD-Care eligibility, MDHHS added Petitioner's and Spouse's gross RSDI monthly incomes of \$ [REDACTED] and \$ [REDACTED]. Spouse's MA group's total income is \$ [REDACTED]. MDHHS allows for a \$20 income disregard reducing the group's total income to \$ [REDACTED].

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). None of the expenses were applicable to the present case.

Net income cannot exceed one hundred percent of the federal poverty level. *Id.*, p. 2. The income limit for a two-person AD-Care group is \$ [REDACTED] RFT 242 (April 2017) p. 1. Spouse's group's countable income exceeds the AD-Care limit. 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 same income calculations used in the AD-Care analysis apply to the G2S analysis, including a \$20 disregard. For purposes of G2S eligibility, Spouse's countable income is \$ [REDACTED].

The G2S budget gives credits for ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services. Spouse's Medicare premium of \$ [REDACTED] is subtracted from the income total creating a running countable income of \$ [REDACTED].


A client's deductible is calculated by subtracting the protected income level (PIL) from the countable 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 \$541 (see RFT 240 (December 2013), p. 1).

Subtracting the PIL and insurance premium from Spouse's countable income results in a monthly deductible of \$ [REDACTED] 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 a \$ [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) 763-0155; 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

Lauren Casper
MDHHS-Macomb-20-Hearings

Petitioner

[REDACTED]
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