



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: July 27, 2018
MAHS Docket No.: 18-005079
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 July 23, 2018, from Detroit, Michigan. Petitioner appeared and represented herself. Her neighbor and caregiver [REDACTED] appeared as her witness. The Department of Health and Human Services (Department) was represented by [REDACTED] Assistance Payment Worker/Hearing Facilitator.

ISSUE

Did the Department properly determine that Petitioner was eligible for Medicaid (MA) subject to a monthly [REDACTED] deductible?

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 SSI-related MA.
2. Petitioner is disabled and receives monthly Retirement, Survivors and Disability Insurance (RSDI) of \$ [REDACTED] (Exhibit 2).
3. Petitioner pays monthly Part B Medicare premiums of [REDACTED] and Part D coverage of [REDACTED].
4. Petitioner lives in [REDACTED] County and is unmarried.

5. On May 11, 2018, the Department received Petitioner's request for hearing disputing the calculation of her MA 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.

At the hearing, the Department testified that Petitioner was a long-standing recipient of Group 2 SSI-related (G2S) MA and that, currently, based on her income, her MA was activated when her verified monthly medical expenses met or exceeded her [REDACTED] monthly deductible. She often met her deductible because of her significant verified medical expenses.

The Department provided an SSI-related MA budget showing the calculation of Petitioner's net income for MA purposes. The budget shows Petitioner had unearned income of \$[REDACTED] which the Department identified as Petitioner's RSDI income. Petitioner could not identify her gross RSDI income, but the net RSDI income she acknowledged plus the [REDACTED] she agreed was withheld to pay her Part B Medicare premium resulted in [REDACTED] in gross RSDI income. The Department properly applied a [REDACTED] unearned income disregard, resulting in Petitioner's net unearned income of \$[REDACTED]. See BEM 541 (January 2018), p. 3.

Under federal law, Petitioner is eligible for the best available MA coverage based on her income and other eligibility criteria. BEM 105 (April 2017), p. 2. The Ad-Care program is a full-coverage MA program for disabled individuals who are income eligible based on MA fiscal group size. BEM 163 (July 2017), p. 1. Because Petitioner is unmarried, her fiscal group size for MA purposes is one. BEM 211 (January 2016), p. 8. The income limit under the Ad-Care program where there is one member in the MA fiscal group is \$[REDACTED] BEM 163, p. 2; RFT 242 (April 2018), p. 1. Because Petitioner's net income of [REDACTED] exceeded the [REDACTED] income limit under the Ad-Care program, Petitioner is ineligible for Ad-Care coverage based on her income.

Although Petitioner is not eligible for full-coverage MA, the Department concluded she was eligible for MA with a monthly \$ [REDACTED] deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL). BEM 105, p. 1; BEM 166 (April 2017), p. 2. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses that is based on the client's shelter area and fiscal group size. BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1. The monthly PIL for an MA fiscal group size of one living in [REDACTED] County is [REDACTED]. RFT 200 (April 2017), p. 3; RFT 240, p. 1. Thus, if Petitioner's monthly net income is in excess of [REDACTED], she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly income exceeds [REDACTED]. BEM 545 (April 2018), p. 2.

As discussed, the SSI-Related MA budget shows that Petitioner's net income totaled [REDACTED] BEM 530 (July 2017), p. 1; BEM 541, p. 3. In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544 (July 2016), pp. 1-3. In this case, Petitioner does not reside in an adult foster care home or home for the aged. Therefore, she is not eligible for any remedial service allowances. Because Petitioner is responsible for Part B Medicare premiums of [REDACTED] and Part D premiums of [REDACTED], she has [REDACTED] in allowable need deductions. BEM 544, p. 1. Her net income reduced by [REDACTED] results in countable income of [REDACTED], rounded down.

When Petitioner's [REDACTED] net income is reduced by the [REDACTED] PIL, Petitioner has excess income of [REDACTED]. Therefore, the Department acted in accordance with Department policy when it concluded that Petitioner was eligible for MA subject to a monthly [REDACTED] deductible.

DECISION AND ORDER

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

AE/tm



Alice C. Elkin
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

[REDACTED]
[REDACTED]
[REDACTED], [REDACTED]
[REDACTED]

Petitioner

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

cc:

[REDACTED]
[REDACTED]