



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: August 7, 2018
MAHS Docket No.: 18-005554
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 July 30, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Brad Reno, hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's eligibility for Medical Assistance (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 under █████ years of age, unmarried, not pregnant, and without minor children.
2. Petitioner received ongoing retirement benefits of \$██████/month.
3. Beginning June 2018, Petitioner was eligible for Medicare Part B coverage. As a result, MDHHS terminated Petitioner's Healthy Michigan Plan (HMP) eligibility.
4. As of June 2018, Petitioner was not responsible for payment of conservator expenses, guardianship expenses, remedial services, or insurance premiums.

5. On May 25, 2018, MDHHS determined Petitioner was eligible to receive Medicaid subject to a \$█/month deductible, effective June 2018.
6. On June 4, 2018, Petitioner requested a hearing to dispute the determination of Medicaid.

CONCLUSIONS OF LAW

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. 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 her eligibility for MA benefits beginning June 2018.¹ MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 1-4) dated May 25, 2018, which informed Petitioner that she was eligible to receive Medicaid subject to a \$█/month deductible.

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. *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. 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.

As of the hearing date, Petitioner was 19-64 years of age, not pregnant, not a caretaker to minor children, and a Medicare recipient. Thus, Petitioner appears ineligible for all MAGI-related categories.

Petitioner testified that she received ongoing income from SSA as a retired individual. Petitioner denied being disabled. If Petitioner was not disabled, she would appear to be ineligible for all MA categories. For purposes of this decision, it will be assumed that

¹ Petitioner separately requested a hearing to dispute the termination of HMP benefits beginning June 2018. That hearing request is addressed by administrative decision under docket# 18-005553.

Petitioner is disabled and potentially eligible to receive Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care income eligibility.

Gross amount means the amount of Retirement, Survivors and Disability Insurance (RSDI) before any deduction, such as Medicare. BEM 163 (July 2017), p. 2. Bridges counts gross RSDI 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 factored Petitioner's RSDI of \$[REDACTED]/month. No other income was applicable.

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. For purposes of AD-Care eligibility, Petitioner's countable income is \$[REDACTED]/month.

For AD-Care, net income cannot exceed 100% of the federal poverty level. *Id.*, p. 2. The net income limit can be determined by subtracting \$20 from the income limits listed in the table at RFT 242. *Id.* The income limit for a one-person AD-Care group is \$1,031.67. RFT 242 (April 2017) p. 1. Petitioner's countable income exceeds the AD-Care income limit; and therefore, Petitioner is not eligible for Medicaid through AD-Care.

Petitioner 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 (April 2018), 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. There was no evidence of such expenses.


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 \$408 (see RFT 240 (December 2013), p. 1).

Subtracting the PIL and \$20 disregard from Petitioner's countable income results in a monthly deductible of \$[REDACTED] the same amount calculated by MDHHS. It is found that MDHHS properly determined Petitioner'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 eligibility for MA effective June 2018 as 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

Lindsay Miller
MDHHS-Genesee-UnionSt-Hearings

Petitioner

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