



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
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[REDACTED] MI [REDACTED]

Date Mailed: August 27, 2018
MAHS Docket No.: 18-006936
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 August 22, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Brenda Drewnicki, hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility.

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 19-64 years of age, a Medicare recipient, not pregnant, and not a caretaker to minor children.
2. On April 24, 2018, Petitioner applied for MA benefits. (Exhibit A, pp. 3)
3. As of April 24, 2018, Petitioner received \$[REDACTED]/month in ongoing Retirement, Survivors, Disability Insurance (RSDI). (Exhibit A, p. 4)
4. Petitioner did not report insurance premium or guardian expenses to MDHHS.

5. On June 11, 2018, MDHHS determined that Petitioner was eligible to receive Medicaid subject to a \$[REDACTED]/month deductible, effective May 2018. (Exhibit A, pp. 14 and 17)
6. On July 6, 2018, Petitioner requested a hearing to dispute the determination of MA benefits. (Exhibit A, p. 2)

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 a determination of Medicaid. MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 10-13) dated June 11, 2018, informed Petitioner of Medicaid eligibility subject to a \$[REDACTED] monthly deductible, effective 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. *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.

Petitioner was a non-pregnant disabled individual with no minor children. Given Petitioner's circumstances, Petitioner appears ineligible for all MAGI-related categories. As a disabled individual, Petitioner is potentially eligible for Medicaid through AD-Care. BEM 163 outlines the procedures for determining AD-Care eligibility.

Petitioner testified that she underwent multiple back surgeries. Petitioner also testified that she worked her whole life and that she does not have enough money to afford medical expenses. The severity of a person's illness, the amount of time a person has

worked, and a person's ability to afford medical expenses are not factors in determining MA income eligibility.

For all programs, MDHHS counts gross RSDI as unearned income. BEM 503 (July 2017), p. 31. Gross amount means the amount of RSDI before any deduction, such as Medicare. BEM 163 (July 2017), p. 2. 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. MDHHS allows for a standard \$20 income disregard for all cases. For purposes of AD-Care eligibility, Petitioner's net income is \$[REDACTED]

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 \$1,011.67. 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 for a standard \$20 disregard for unearned income and various disregards for employment income. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services. There was no evidence of countable 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 unearned income disregard from Petitioner's income results in a monthly deductible of \$[REDACTED] the same amount calculated by MDHHS (see

Exhibit A, p. 17). 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 to be eligible for Medicaid subject to a \$[REDACTED]/month deductible, effective May 2018. 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

Tolisha Bates
MHHS-Macomb-12-Hearings

Petitioner

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