



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: September 13, 2018
MAHS Docket No.: 18-007806
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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 September 10, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Lynda Brown, Hearing Facilitator, and Crystal Sanders, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) Program 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. Petitioner has been an ongoing MA G2S recipient since at least August 2015; he has also been a Medicare Savings Program (MSP) participant since at least July 2016 under the Specified Low-Income Medicare Beneficiary (SLMB) program.
2. From January 2017 through June 2017, Petitioner had a G2S deductible of \$651.00.
3. For July 2017, Petitioner's G2S deductible was \$654.00.
4. In August 2017, the deductible reverted to \$651.00.

5. From September 2017 through July 2018, Petitioner had a G2S deductible of \$654.00.
6. Petitioner receives a Retirement, Survivors and Disability Insurance (RSDI) benefit each month totaling \$ [REDACTED]
7. On September 13, 2017, Petitioner timely submitted a medical expense incurred on July 9, 2017, totaling \$ [REDACTED]
8. On October 6, 2017, the Department processed the medical expense and found that Petitioner had met his G2S deductible for July 2017; a Health Care Coverage Determination Notice (HCCDN) was sent to Petitioner informing him that he had met the deductible for July 2017 and would receive full coverage.
9. On June 4, 2018, the Department issued a Redetermination to Petitioner for the FAP.
10. On June 27, 2018, the Department received Petitioner's completed Redetermination.
11. On July 18, 2018, the Department issued a HCCDN to Petitioner informing him that he had continuing MSP full coverage (SLMB); and his MA G2S deductible would increase to \$676.00 per month effective August 1, 2018.
12. On August 2, 2018, the Department received Petitioner's request for hearing disputing the Department's determination of MA eligibility indicating "health expenses exceed income of individual."

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.

In this case, Petitioner requested a hearing regarding his MA coverage stating, "health expenses exceed income of individual." Through the hearing, it was determined that

Petitioner is generally concerned about his ability to ensure that his medical bills were being paid and one bill in particular for \$ [REDACTED] which had been submitted to the Department in September 2017 for an expense incurred on July 9, 2017, then resubmitted in July 2018.

In July 2017, Petitioner was enrolled in the G2S program with a deductible of \$654.00. Deductibles are a process which allows a client with excess income to become eligible for Group 2 (G2) MA if sufficient allowable medical expenses are incurred. BEM 545 (April 2018), p. 10. When an MA case is opened for a client with a deductible, the case is opened without ongoing coverage. *Id.* Periods of coverage are added each time the group meets its monthly deductible and each calendar month is a separate deductible period. *Id.* In order to meet a deductible, a client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, p. 11. If an expense is reported later than the last day of the third calendar month after the expense was incurred, the expense cannot be considered for the month in which it was incurred. *Id.* However, the expense can be considered as an old bill and applied toward any month after the initial three-month submission period. BEM 545, pp. 11-12. The client can choose to have the old medical bill applied to the most advantageous month, or the month that the client will receive the most benefit if the bill is considered in that month. *Id.* However, if a client reports the expense timely, but is unable to verify the expense timely, the expense can be budgeted for the month in which it was incurred. *Id.* Therefore, the Department is required to document client reports of expenses even if the client does not yet have a bill to verify the expense. *Id.*

When the deductible is met, the Department is required to notify the group of the beginning and end dates of MA coverage, the group's share of medical expenses incurred on the date that the deductible was met, and the names of all providers notified to collect payment from the group or individual for all or part of the expense used to meet the deductible. BEM 545, pp. 14-15. To complete this task, the Department may utilize a DHS-114 or Bridges equivalent.

On September 13, 2017, Petitioner reported a medical expense totaling \$ [REDACTED] incurred on July 9, 2018, which was considered timely because it was submitted within the three-calendar-month window. Therefore, the expense should have been applied toward July 2017's deductible. Petitioner is concerned that the medical expense was not paid because he received a collections notice in February 2018 for this expense. The Department has shown that the expense was received and that the client was notified that his deductible was met. Once Petitioner was informed that his deductible was met, he needed to advise his provider to bill Medicaid again. It appears from the testimony presented, that the provider billed Petitioner, but Petitioner did not advise the provider to forward the bill to Medicaid once his deductible was met. MA beneficiaries who have questions about MA covered services or billing problems can call the Medicaid Beneficiary Helpline at 1-800-642-3195. BAM 402 (April 2018), p. 18. Providers can call 1-800-292-2550 for assistance with questions about Medicaid Health

Plans. *Id.* Based upon the evidence presented, the Department has complied with policy in approving Petitioner for full MA coverage in July 2017.

Since Petitioner is generally concerned about his health expenses exceeding his income, a review of Petitioner's MA eligibility follows below.

Medicaid is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. BEM 105 (April 2017), p. 1.

Petitioner is not under age 21 or pregnant. No evidence was presented that Petitioner was a parent, caretaker, or former foster child. Therefore, the programs for each of these groups are inapplicable to the Petitioner.

HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. MPM, Healthy Michigan Plan, § 1.1. Since Petitioner is a Medicare recipient, he is not eligible for HMP.

In determining the SSI-related MA category Petitioner is eligible to receive, the Department must determine Petitioner's MA fiscal group size and net income. Petitioner has a group size for SSI-related MA purposes of one. BEM 211 (January 2016), p. 8. Petitioner's total monthly income is \$ [REDACTED] from his RSDI benefit.

The Ad-Care program, an SSI-related MA category which provides full coverage Medicaid, requires that net group income cannot exceed one hundred percent of the federal poverty level. BEM 163, pp. 1-2. The 2018 federal poverty level for a one-person household is \$12,140.00. <https://aspe.hhs.gov/poverty-guidelines>. The net income limit as listed in RFT 242 is \$1,031.67 for a group size of one effective April 1, 2018. RFT 242 (April 2018), p. 1. Countable income is calculated by adding the amounts of income actually received/available within the past month. BEM 530 (July 2017), p. 2. A review of the SSI-Related MA budget submitted by the Department shows that the Department properly considered Petitioner's income. The Department then properly applied the \$20.00 general exclusion. BEM 541 (January 2018), p. 3. Therefore, Petitioner's net income is \$ [REDACTED] which is greater than the net income limit and the federal poverty limit. Petitioner is not eligible for the full coverage Ad-Care program.

Since Petitioner has excess income for eligibility under the Ad-Care program, the full coverage SSI-related MA program, an evaluation of Petitioner's eligibility for MA

coverage under the Group 2 program follows. Group 2 provides MA coverage with a deductible. BEM 105, p. 1.

The deductible is the amount that the client's net income (less any allowable deductions) exceeds the applicable Group 2 MA protected income level (PIL) which can be met with medical expenses to make a client eligible for MA coverage. BEM 545 (April 2018), pp. 10-11. PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses. BEM 544 (July 2016), p. 1. It is based on the client's MA fiscal group size and the county in which the client resides. *Id.* Petitioner resides in Macomb County and has a group size of one; therefore, his shelter area is VI, and his PIL is \$408.00. RFT 200 (April 2017), p. 3; RFT 240 (December 2013), p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$408.00, Petitioner is eligible for MA assistance under the G2S program with a deductible equal to the amount of income remaining after the appropriate and allowed deductions which is greater than \$408.00.

As discussed above, Petitioner's net income was \$ [REDACTED]. In calculating the deductible, allowances are made for health insurance premiums and remedial services. BEM 544, pp. 1-2. According to the evidence presented, Petitioner has been a recipient of the MSP, specifically as a SLMB, since at least July 2016. Therefore, Petitioner was not responsible for his Medicare Part B premiums and the premium is not included as an expense on his budget. After consideration of the applicable deductions, the countable income of \$ [REDACTED] is reduced by the PIL of \$408.00 to achieve the deductible of \$676.00 effective August 1, 2018. The Department properly determined Petitioner's eligibility for MA benefits.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy in its recognition of Petitioner's medical expense and determination of MA eligibility.

DECISION AND ORDER

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



AMTM/jaf

Amanda M. T. Marler
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

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