



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 22, 2019  
MAHS Docket No.: 19-001024  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: John Markey**

**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 March 14, 2019, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Brenda Drownicki, Hearings Facilitator. During the hearing, a 22-page packet of documents was offered and admitted as Exhibit A, pp. 1-22.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) benefits, effective January 1, 2019?

**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 was an active recipient of full-coverage MA benefits from the Department. Her eligibility was due for redetermination with her certified benefit period ending December 31, 2018.
2. On August 4, 2018, the Department issued to Petitioner a Redetermination in order to gather relevant information regarding Petitioner's ongoing eligibility for MA benefits. Petitioner was required to fill out and return the completed Redetermination along with required verifications by September 4, 2018. Petitioner returned the completed Redetermination along with verifications on August 22, 2018. Petitioner included in her submission bank statements showing

that Petitioner's assets exceeded the limit for eligibility for the MA program she had coverage under. Exhibit A, pp. 4-12.

3. On December 26, 2018, Petitioner provided to the Department updated bank statements showing that her assets were below the threshold for program eligibility. Exhibit A, p. 13.
4. On January 14, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that she was eligible for MA coverage subject to a \$599 monthly deductible, effective January 1, 2019.
5. On [REDACTED], 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's determination of her MA benefits eligibility.

### **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 objects to the Department's decision to change Petitioner's MA benefits, effective January 1, 2019. Prior to January 1, 2019, Petitioner was receiving full-coverage MA from the Department. Effective January 1, 2019, Petitioner was moved to a Group 2 Aged-Disabled (G2S) plan that had a monthly deductible of \$599.

Petitioner may receive MA benefits subject to a monthly deductible through a Group 2 Medicaid category. Petitioner is potentially eligible for MA with a deductible through Group 2-SSI-related (G2S) MA and Group 2-Caretaker (G2C) MA categories. G2C generally offers significantly lower deductibles than G2S. MA under G2C is available to parents and other caretaker relatives who meet the eligibility factors. BEM 135 (October 2015), p. 1. The definition of a caretaker relative includes a person who is the grandparent of a dependent child. BEM 135, pp. 1, 5. The definition of a child under the G2C category is an unmarried person under age 18.

Based on Petitioner's minor dependent living with Petitioner, Petitioner qualifies for MA benefits under the G2C program. At the outset of the hearing, the Department's witness, Ms. Drownicki, conceded on the record that the Department did not follow

policy applicable to moving clients from one program to another by failing to properly consider Petitioner's eligibility for the more favorable G2C coverage when redetermining her eligibility for MA benefits, effective January 1, 2019. Ms. Drewnicki acknowledged that based on her review, Petitioner should have been, at worst, determined to be eligible for G2C coverage, which generally results in a lower deductible than coverage under G2S. Because the Department failed to consider Petitioner's eligibility under a more favorable MA category, the Department must redetermine Petitioner's MA eligibility, effective January 1, 2019.

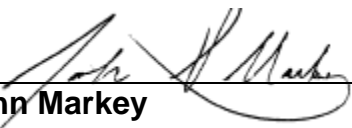
### **DECISION AND ORDER**

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 did not act in accordance with Department policy when it determined Petitioner's MA eligibility, effective January 1, 2019. Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner's eligibility for MA benefits and provide the same under the category most favorable to Petitioner, effective January 1, 2019;
2. Provide Petitioner with MA coverage she is eligible to receive for January 1, 2019, ongoing; and
3. Notify Petitioner of its MA decision in writing.

JM/cg

  
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**John Markey**  
Administrative Law Judge  
for Robert Gordon, 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

**Via Email:**

MDHHS-Macomb-12-Hearings  
D. Smith  
EQAD  
BSC4- Hearing Decisions  
MAHS

**Petitioner – Via First-Class Mail:**

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