



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: January 15, 2019
MAHS Docket No.: 18-010634
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, an in-person hearing was held on January 9, 2019, from Southfield, Michigan. Petitioner appeared and testified. Petitioner was represented by her attorney, [REDACTED]. The Michigan Department of Health and Human Services (MDHHS) was represented by Rechela Hall, specialist.

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. Petitioner was an ongoing Medicaid recipient under Aged-Disability Care (AD-Care) receiving RSDI of \$838/month.
2. In 2018, Petitioner's father passed away resulting in an increase in Petitioner's RSDI to \$1,676/month.
3. As of November 2018, Petitioner had not previously received Supplemental Security Income (SSI) benefits.
4. On September 25, 2018, MDHHS determined Petitioner to be eligible for Medicaid subject to a monthly deductible of \$1,248, effective November 2018.

5. On [REDACTED], 2018, Petitioner requested a hearing to dispute the determination of Medicaid beginning November 2018.
6. On November 15, 2018, MDHHS determined that Petitioner was ineligible for Medicaid under the Disabled Adult Child-MA (DAC) category due to never receiving SSI benefits.

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 MA benefits. MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 3-6) dated September 25, 2018. The notice informed Petitioner of reasons for denial for various MA programs.

Medicaid is also known as Medical Assistance (MA). BEM 105 (April 2017), p. 1. The Medicaid program includes several sub-programs or categories. *Id.* 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. *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

There was no evidence that Petitioner was eligible for Medicaid under any MAGI-related programs. Petitioner was disabled; thus she is potentially eligible for MA under AD-Care.

AD-Care factors a client's monthly income. As of September 2018, Petitioner income consisted of \$1,676/month in RSDI.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses. Cost of living adjustments (COLA) are applicable for the benefit

months of January through March only. None of the expenses were applicable. For purposes of AD-Care eligibility, Petitioner's countable income is \$1,676.

AD-care income limits are 100% of the Federal Poverty Level + \$20. RFT 242 (April 2018) p. 1. The income limit for a one-person AD-Care group is \$1,031.67. *Id.* Petitioner's countable income exceeds the AD-Care income limit; therefore, Petitioner is not eligible for Medicaid through AD-Care.

Petitioner's attorney contended that Petitioner was eligible for Medicaid through the DAC category. Petitioner's attorney presented pages from a Social Security Administration hearing decision approving Petitioner for disability benefits under section 223(d) of the Social Security Act. Exhibit A, p.10. Also, Petitioner has a social security claim number with a suffix of "C" which is indicative of potential eligibility under DAC. BEM 158 (October 2014), p. 3.

Receipt of DAC-related RSDI benefits are not the only requirements to be eligible for Medicaid under DAC. MA benefits are available to a person receiving DAC-RSDI benefits under section 202(d) of the Social Security Act if he or she:

- (1) Is age 18 or older; and
- (2) Received SSI; and
- (3) Ceased to be eligible for SSI on or after July 1, 1987, because he became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
- (4) Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and
- (5) Would be eligible for SSI without such RSDI benefits. *Id.*

After Petitioner requested a hearing, MDHHS initiated an evaluation of Petitioner's DAC eligibility. MDHHS presented a memorandum from the DAC-Screening unit stating that Petitioner was ineligible for DAC due to never receiving SSI benefits. Exhibit A, p. 12. The conclusion that Petitioner never received SSI benefits was consistent with an SOLQ which listed many details of Petitioner's RSDI history but had a blank SSI history.¹

The evidence established that Petitioner never received SSI benefits. Petitioner is not eligible for Medicaid under the DAC category due to never receiving SSI benefits. Thus, MDHHS properly did not evaluate Petitioner's Medicaid eligibility under DAC. Petitioner's ineligibility for Group 1 categories leaves Petitioner only eligibility for Group 2-MA categories.

For Group 2 categories, MA eligibility is possible even when net income exceeds the income limit for a Group 1 category; this is possible because incurred medical expenses are used when determining eligibility. BAM 105 (April 2017) p. 1. Group 2 categories are considered a limited benefit because a deductible is possible. *Id.* Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred.

¹ An SOLQ is document that MDHHS obtains from a data exchange with SSA.

BEM 545 (April 2018), p. 11. Each calendar month is a separate deductible period. *Id.* The fiscal group's monthly excess income is called the deductible amount. *Id.* Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*

The Group 2 aged/disabled (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. Petitioner did not allege any relevant 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 \$1,248; MDHHS calculated the same deductible (see Exhibit A, p. 10). Thus, 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 \$1,248/month deductible effective November 2018. The actions taken by MDHHS are **AFFIRMED**.

CG/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

Via Email:

MDHHS-Oakland-3-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MAHS

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

[REDACTED]
[REDACTED]
[REDACTED]

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

[REDACTED]
[REDACTED]
[REDACTED]