



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: October 3, 2017  
MAHS Docket No.: 17-011049  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Ellen McLemore**

**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 27, 2017, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Pamela Mack, Eligibility Specialist, and Coraliss Tripp, Assistance Payments Worker.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) benefits?

**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 is an ongoing MA recipient.
2. Prior to September 1, 2017, Petitioner was receiving MA benefits under the Low-Income Family (LIF) MA program.
3. On [REDACTED], 2017, Petitioner's son turned [REDACTED] years old. Petitioner has no other dependent children.
4. Petitioner's son had been previously enrolled in high school. Petitioner did not report a change in her son's status as a student.

5. On August 2, 2017, Petitioner was sent a Health Care Coverage Determination Notice notifying her that effective September 1, 2017, she would be eligible for MA subject to a monthly deductible of \$673.
6. Petitioner's monthly household unearned income was \$1,101.
7. Petitioner was a non-tax filer.
8. Petitioner was not married, was receiving Medicare and has been determined as disabled.
9. On August 14, 2017, Petitioner requested a hearing to dispute the Department's actions regarding her MA case.

### **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 was previously receiving full-coverage MA benefits under the Low-Income Family (LIF) program. The Department testified that it believed Petitioner's son, who turned [REDACTED] years old on [REDACTED], 2016, graduated high school in June 2017. The Department testified that because Petitioner no longer had a dependent child in the home, she was no longer eligible for MA benefits under the LIF program.

LIF is a Modified Adjusted Gross Income (MAGI) related MA category. BEM 110 (January 2014), p. 1. Eligibility for LIF is derived after a successful MAGI-related eligibility determination for either Parent/Caretaker Relative (PCR) or Children Under 19. BEM 110, p. 1. Adults with a dependent child and income under 54% of the Federal Poverty Level (FPL) will be considered LIF eligible. BEM 110, p. 1.

For MAGI-related MA cases, policy does not define a dependent child. It does provide, however, that the size of the household for MAGI-related MA cases will be determined by the principles of tax dependency in the majority of cases. BEM 211 (January 2016), p. 1. The household for a non-tax filer who is not claimed as a tax dependent, consists of the individual and, if living with the individual, the individual's natural, adopted and

step children under the age of 19 or under the age of 21 if a full time student. BEM 211, p. 2. Petitioner testified that her son, who was under the age of 21, was still enrolled in high school. Petitioner argued that since her son was still enrolled in high school, she was still entitled to MA benefits under the LIF program. Although Petitioner may meet the dependent child requirement for eligibility under LIF, Petitioner's household income exceeds the income limit for LIF eligibility. Per policy stated above, Petitioner would have a MA group of two for MAGI-related MA programs. 100% of the FPL for a household of two is \$16,240 annually. To be eligible for LIF, the group's income cannot exceed 54% of the FPL, which is \$8,769 for a group of two. Petitioner's yearly income is \$13,212. Therefore, Petitioner does not qualify for coverage under LIF, and thus, the Department properly removed Petitioner's coverage under the LIF program.

As Petitioner was no longer entitled to MA benefits under the LIF program, the Department concluded Petitioner was eligible to receive MA benefits subject to a \$673 deductible. Persons may qualify under more than one MA category. BEM 105 (April 2017), p. 2. Federal law gives them the right to the most beneficial category. BEM 105, p. 2. The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. BEM 105, p. 2. Therefore, Petitioner's eligibility under other MA programs will be assessed.

Petitioner does not qualify for the Parents and Caretakers MA program, because the income limit is also 54% of FPL. BEM 211, p. 1. As stated above, Petitioner exceeds the income limit. Petitioner is also not entitled to full-coverage MA benefits under the Healthy Michigan Plan (HMP), as Petitioner is enrolled in Medicare. BEM 137 (October 2016), p. 1.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. Ad-Care is a Supplemental Security Income (SSI)-related full-coverage MA program. BEM 163 (July 2017), p. 1. It was not disputed that Petitioner receives \$1,101 per month in Retirement, Survivors, and Disability Insurance (RSDI) benefits. As Petitioner is not married, per policy, Petitioner's fiscal group size for SSI-related MA benefits is one. BEM 211 (January 2016), p. 8. The Department gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for January through March only). Petitioner did not allege any such factors were applicable. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163 (July 2017), p. 2. The income limit for AD-Care for a one-person MA group is \$1,025. RFT 242 (April 2017), p. 1. Because Petitioner's monthly household income exceeds \$1,025, the Department properly determined Petitioner to be ineligible for MA benefits under AD-Care.

Petitioner may still 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 parent of a dependent child. BEM 135, p. 1. The definition of a child under the G2C category is an unmarried person under age 18. As Petitioner's son turned 19 on [REDACTED], 2017, Petitioner does not qualify for MA benefits under the G2C program.

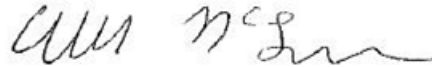
Petitioner may still receive MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. (April 2017). As stated above, Petitioner's SSI-related MA group size is one. Petitioner's net income is \$1,081 (her gross RSDI reduced by a \$20 disregard). BEM 541 (April 2017), p. 3. The deductible is in the amount that the client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL); the PIL is based on the client's MA fiscal group size and the county in which she resides. BEM 105, p. 1; BEM 166 (April 2017), pp. 1-2; BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in [REDACTED], is \$408 per month. RFT 200, p. 3; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$408, she is eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income, less allowable deductions, exceeds \$408. BEM 545 (January 2017), pp. 2-3. The Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible (Exhibit B).

In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, there was no evidence that Petitioner resides in an adult foster care home or home for the aged. Therefore, she is not eligible for any remedial service allowances. There was also no evidence that Petitioner paid any monthly health insurance premiums. Because Petitioner is not responsible for any health insurance premiums, she has no allowable need deductions. BEM 544, p. 1. There was also no evidence that Petitioner had any verified ongoing medical expenses. Therefore, Petitioner would not be entitled to a deduction for ongoing monthly medical expenses. Petitioner's net income of \$1,101 reduced by the \$408 PIL is \$673. Therefore, the Department properly determined that Petitioner is eligible for MA benefits under the G2S program subject to a monthly deductible of \$673.

**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 acted in accordance with Department policy when it found Petitioner to be eligible for MA benefits, subject to a \$673 per month deductible.

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



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**Ellen McLemore**  
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) 335-6088; 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**

MDHHS-Oakland-IV-Hearings

**Petitioner**



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