



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR



Date Mailed: March 29, 2018
MAHS Docket No.: 18-002048
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 March 28, 2018, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Brenda Drewnicki, Hearing Facilitator.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) benefit 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 MA recipient under the full-coverage Healthy Michigan Plan (HMP).
2. On January 1, 2018, Petitioner began receiving Medicare Part A and Medicare Part B.
3. On January 17, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that she eligible for MA benefits subject to a deductible of \$578 effective February 1, 2018, ongoing (Exhibit A).

4. On February 2, 2018, the Department sent Petitioner a Benefit Notice informing Petitioner that her deductible amount increased to \$612 per month effective March 1, 2018, ongoing (Exhibit C).
5. On February 21, 2018, Petitioner requested a hearing disputing the Department's actions.

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 receiving MA benefits under the HMP program. On [REDACTED], 2018, Petitioner began receiving Medicare benefits. As a result, Petitioner was no longer eligible for MA benefits under the HMP program. BEM 137 (January 2018), p. 1. On [REDACTED] 2018, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that she was eligible for MA benefits subject to a deductible of \$578.

As a disabled and/or aged individual, Petitioner is eligible for MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. BEM 166 (April 2017), p. 1. 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. It was not disputed that Petitioner receives \$1061 per month in RSDI benefits. BEM 211 (January 2016), p. 8. The Department provides a \$20 disregard for unearned income. BEM 541 (January 2018), p. 3. The Department also gives budget credits for employment income and guardianship and/or conservator expenses. BEM 541, p. 3. Petitioner did not allege any such factors were applicable. Petitioner's net income is \$1041 (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 Macomb County, 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 for February 1, 2018, ongoing (Exhibit B).

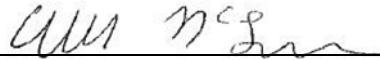
In determining the monthly deductible under the G2S program, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544 (July 2016), pp. 1-3. In this case, there was no evidence that Petitioner resides in an adult foster care home or home for the aged. Therefore, she is not eligible for any remedial service allowances. Petitioner testified that she has a supplemental insurance policy but does not pay a premium. The Department testified that for the month of February 2018, Petitioner was given an insurance premium deduction of \$34 for an old policy that was verified back in 2014. The expense was never removed from the system, resulting in the deduction being included in the budget. Additionally, Petitioner testified she is responsible for ongoing medical expenses. However, Petitioner has not submitted any verified medical expenses, and as a result, the Department was not aware of any possible deductions for medical expenses. Therefore, the Department properly did not include any deductions for medical expenses. The Department also gives budget credits for cost of living adjustments (COLA) (for January through March only). BEM 503 (July 2017), p. 32. Petitioner was provided with a COLA exclusion of \$21. Petitioner's net income of \$1041 reduced by the \$408 PIL, \$34 insurance premium, and \$21 COLA exclusion is \$578. Therefore, the Department properly determined that Petitioner is eligible for MA benefits under the G2S program subject to a monthly deductible of \$578 for February 2018.

For March 1, 2018, ongoing, the Department sent Petitioner notice that her deductible was increasing to \$612. The Department provided a G2S budget showing the recalculation of Petitioner's deductible (Exhibit D). The Department testified that the insurance premium was removed from the budget, resulting in the \$34 increase and all other factors remained the same. Petitioner testified that she does not have a \$34-dollar insurance premium. Therefore, the Department acted in accordance with policy when it removed the expense. As stated above, all other factors in the budget were correct. Thus, the Department properly calculated Petitioner's deductible for March 1, 2018, ongoing in the amount of \$612.

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 determined Petitioner's MA eligibility. Accordingly, the Department's decision is **AFFIRMED**.

EM/cg



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

Via Email:

MDHHS-Macomb-12-Hearings
M. Holden
D. Sweeney
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EQAD
BSC4-Hearing Decisions
MAHS

Petitioner – Via First-Class Mail:

