



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: May 11, 2018  
MAHS Docket No.: 18-002656  
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 May 9, 2018 from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Christine Brown, Eligibility Specialist.

**ISSUE**

Did the Department properly determine 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 MA recipient under the full-coverage Ad-Care program.
2. In [REDACTED] 2017, Petitioner completed a redetermination.
3. Petitioner's sole household income consisted of Retirement, Survivors, and Disability Insurance (RSDI) benefits in the gross amount of \$1406 per month (Exhibit C).
4. Petitioner is responsible for Medicare Part B premiums in the amount of \$129 per month and a supplemental insurance plan in the amount of \$29 per month.
5. On February 15, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that she was eligible for MA benefits subject to

a monthly deductible of \$816 per month effective February 1, 2018, ongoing (Exhibit B).

6. On March 6, 2018, Petitioner submitted a request for 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 previously receiving full-coverage MA benefits under the Ad-Care program. Petitioner a completed a redetermination in [REDACTED] 2017. The Department determined Petitioner was qualified for MA benefits under the Group 2-SSI-related (G2S) program, subject to a monthly deductible of \$816.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. Ad-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. Petitioner receives \$1,406 per month in gross 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 guardianship and/or conservator expenses 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 full-coverage MA benefits under AD-Care.

Petitioner may still receive MA benefits subject to a monthly deductible through a Group 2 Medicaid category. Petitioner is not the caretaker of any minor children, and therefore, does not qualify for MA through the Group 2-Caretaker MA 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 \$1,386 (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 Oakland 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 (Exhibit D, p. 2).

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 evidence that Petitioner was responsible for monthly Medicare Part B expenses in the amount of \$129. There was evidence that Petitioner is also responsible for a monthly supplemental insurance premium in the amount of \$29. Additionally, Petitioner testified she is responsible for ongoing medical expenses. There was no evidence that Respondent submitted verification of any ongoing medical expenses. Therefore, the Department properly did not include any deductions for medical expenses. Petitioner's net income of \$1,386 reduced by the \$408 PIL and \$158 in insurance premiums is \$820.

At the hearing, the Department was advised to submit the G2S deductible budget. The Department submitted a G2S deductible budget with a monthly deductible of \$816 for April 2018 (Exhibit D, p. 1.) On the document, the Department notated that the insurance premium amount was not correct. Additionally, according to the budget, Petitioner was entitled to a COLA exclusion at that time, which the Department did not testify to at the hearing. The Department also presented a G2S deductible budget with a monthly deductible of \$820 with the information reflected above for May 2018. The \$820 deductible budget is correct based on the information provided at the hearing. However, the notice issued on February 15, 2018, indicates Respondent had a \$816 deductible effective February 1, 2018, ongoing. The Department did not present any evidence regarding the calculation of Petitioner's deductible for February 1, 2018 through April 30, 2018. At issue in the hearing was whether the Department's decision issued February 15, 2018 was correct. The Department only produced evidence that Petitioner's deductible amount was accurate for May 1, 2018, ongoing. Therefore, the Department failed to establish that it properly followed policy when determining Petitioner's MA eligibility for February 1, 2018 through April 30, 2018.

**DECISION AND ORDER**

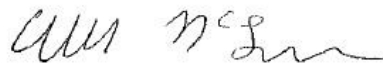
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's MA eligibility for February 1, 2018 through April 30, 2018.

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 MA eligibility for February 1, 2018 through April 30, 2018;
2. Provide Petitioner with MA benefits she is entitled to receive for February 1, 2018 through April 30, 2018;
3. Notify Petitioner of its MA decision in writing.

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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) 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  
M. Best  
EQAD  
BSC4- Hearing Decisions  
MAHS

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

