



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
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[REDACTED] MI [REDACTED]

Date Mailed: February 13, 2019
MAHS Docket No.: 18-013133
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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 February 11, 2019, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Brad Reno, Eligibility Specialist and Hearing Facilitator.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) Program 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 in the Low-Income Family (LIF) category.
2. Petitioner's child turned age [REDACTED].
3. On October 11, 2018, due to Petitioner's child's age, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that she was removed from the LIF category and placed in the Group 2-Aged, Blind, Disabled (G2S) category effective November 1, 2018, with a deductible of \$[REDACTED] per month.
4. On December 7, 2018, the Department received Petitioner's request for hearing disputing her placement in a deductible program and the amount of the deductible.

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 removed from the MA LIF category and placed in the MA G2S category with a deductible of \$ [REDACTED] per month. LIF is available to individuals who are either a parent/caretaker relative (PCR) of dependent children or a child under age 19 (U19). BEM 110 (April 2018), p. 1. A dependent child is a child who is under age 18, or at the State's option, is age 18 and a full-time student in secondary school, if before attaining age 19, the child may reasonably be expected to complete such school or training. 7 CFR 435.4. Petitioner's child turned [REDACTED] therefore, each family member lost their LIF eligibility.

Since Petitioner lost her LIF eligibility, the Department reevaluated Petitioner's eligibility for other MA categories. Medicaid is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. BEM 105 (April 2017), p. 1.

HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137 (April 2018), p. 1; MPM, Healthy Michigan Plan, § 1.1. Since Petitioner is a Medicare Recipient, she is not eligible for HMP.

Petitioner has a disability and is a recipient of Retirement, Survivors and Disability Insurance (RSDI) and Medicare benefits. Therefore, she is potentially eligible for an SSI-Related MA category.

In determining the SSI-related MA category Petitioner is eligible to receive, the Department must determine Petitioner's MA fiscal group size and net income. Petitioner has a group size for SSI-related MA purposes of one. BEM 211 (January 2016), p. 8. Petitioner's total monthly income is \$ [REDACTED] based upon her RSDI benefit.

The Ad-Care program, an SSI-related MA category, requires that net group income cannot exceed one hundred percent of the federal poverty level. BEM 163, pp. 1-2. The 2018 federal poverty level for a one-person household was \$12,140.00. <https://aspe.hhs.gov/poverty-guidelines>. The net income limit is established by subtracting \$20.00 from the net income limit listed in RFT 242 at \$1,031.67 for a group size of one effective April 1, 2018. RFT 242 (April 2018), p. 1. Countable income is calculated by adding the amounts of income actually received/available within the past month. BEM 530 (July 2017), p. 2. A review of the SSI-Related MA budget submitted by the Department shows that the Department considered Petitioner's income correctly. The Department then properly applied the \$20.00 general exclusion. BEM 541 (November 2018), p. 3. Therefore, Petitioner's net income is \$ [REDACTED] which is greater than the net income limit and the federal poverty limit. Petitioner is not eligible for the full coverage Ad-Care program.

Since Petitioner has excess income for eligibility under the Ad-Care program, the full coverage SSI-related MA program, an evaluation of Petitioner's eligibility for MA coverage under the Group 2 program follows. Group 2 provides MA coverage with a deductible. BEM 105, p. 1.

The deductible is the amount that the client's net income (less any allowable deductions) exceeds the applicable Group 2 MA protected income level (PIL). BEM 545 (October 2018), p. 11. PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses. BEM 544 (July 2016), p. 1. It is based on the client's MA fiscal group size and the county in which the client resides. *Id.* Petitioner resides in Genesee County and has a group size of one; therefore, she is in shelter area VI, and her PIL is \$408.00. RFT 200 (April 2017), p. 3; RFT 240 (December 2013), p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$408.00, Petitioner is eligible for MA assistance under the Group 2 program with a deductible equal to the amount of income remaining after the appropriate and allowed deductions which is greater than \$408.00.

Petitioner is not eligible for the Group 2-Caretaker Relative (G2C) category because she does not have dependent children pursuant to the federal regulations and applicable policy. BEM 135 (October 2015), p. 1; 7 CFR 435.4.

Since Petitioner has a disability as confirmed by her receipt of RSDI benefits, she is eligible for G2S. BEM 166 (April 2017), p. 1. As discussed above, Petitioner's net income was \$ [REDACTED]. In calculating the deductible, allowances are made for health insurance premiums and remedial services. BEM 544, pp. 1-2. No evidence was

presented that Petitioner had any of these additional expenses as she is a Medicare Savings Program (MSP) recipient, and the State of Michigan is paying for her Medicare premiums. However, despite the State paying Petitioner's Medicare Premium, the Department provided Petitioner a deduction for \$ [REDACTED] in insurance premiums. Based upon the evidence presented, this deduction was provided in error but results in a benefit to Petitioner and will not be changed for purposes of this decision. After subtraction of the premium, Petitioner was left with countable income of \$ [REDACTED]. Next, Petitioner's PIL is subtracted to reach a deductible of \$ [REDACTED].

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.

DECISION AND ORDER

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



AMTM/jaf

Amanda M. T. Marler
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

DHHS

Lindsay Miller
MDHHS-Genesee-Union St-Hearings

Petitioner

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