



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: February 13, 2019
MAHS Docket No.: 18-013221
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: John Markey

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. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Brenda Drownicki, Hearings Facilitator. During the hearing, an 18-page packet of documents was offered and admitted as Exhibit A, pp. 1-18.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (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 recipient of MA benefits from the Department.
2. Petitioner is disabled and has two minor dependents, both of whom are disabled.
3. Petitioner receives \$1,343 per month in Retirement, Survivors, and Disability Insurance (RSDI). Exhibit A, p. 11.
4. On November 30, 2018, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that she was eligible for MA coverage, effective January 1, 2019, subject to a \$229 monthly deductible. Exhibit A, pp. 6-9.

5. On [REDACTED] 2018, Petitioner submitted to the Department a request for hearing objecting to the Department's determination of her MA eligibility.

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 is a disabled individual who has two minor dependents. The Department determined that Petitioner was eligible for MA benefits under the Group 2 Caretaker (G2C) program subject to a \$229 monthly deductible. Petitioner requested a hearing because she believes the Department improperly determined her eligibility for MA benefits.

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 \$1,343 per month in 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, p. 2. The income limit for AD-Care for a one-person MA group is \$1,031.67. RFT 242 (April 2018), p. 1. Because Petitioner's monthly household income exceeds \$1,031.67, 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 grandparent of a dependent child. BEM 135, pp. 1, 5. The

definition of a child under the G2C category is an unmarried person under age 18. Based on Petitioner's two minor grandchildren living with Petitioner, Petitioner qualifies for MA benefits under the G2C program.

For purposes of Group 2 MA eligibility, Petitioner has an MA fiscal group size of one. BEM 211, p. 8. Because she lives in ██████ County, her protected income limit (PIL) is \$408. RFT 200 (April 2017), p. 3; RFT 240 (December 2013), p. 1. Thus, if her household's net income, calculated in accordance with BEM 536 (November 2018), pp. 1-7, exceeds \$408, Petitioner is eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income exceeds \$408.

Monthly net income for the purposes of the G2C MA program is calculated by taking the total income and dividing it by the appropriate divisor to come up with an individual's prorated share of the income. The divisor is the sum of 2.9 and the number of dependents living with the adult. BEM 536, p. 4. In this case, Petitioner has two dependents, so the divisor is 4.9. Applying the divisor to Petitioner's income of \$1,343 results in a prorated share of income of \$274.

The next step is to calculate Petitioner's net income, which first requires Petitioner's prorated share of income to be multiplied by 2.9. BEM 536, p. 6. This results in a net income of \$794. By subtracting from that subtotal the allowable insurance premiums of \$135.50 and COLA exclusion amount of \$37, Petitioner's total net income equals \$621.50. BEM 544 (July 2016), pp. 1-2. The final step in determining the appropriate deductible is to subtract from the net income the PIL of \$408, resulting in a final deductible of \$213. BEM 536, pp. 1-7.

The budget documents presented by the Department accurately reflect the above calculations and reached the appropriate conclusion that Petitioner was eligible for MA benefits under the G2C program with a monthly deductible of \$213. However, the Health Care Coverage Determination Notice Petitioner objected to wrongly indicates that Petitioner is eligible subject to a \$229 monthly deductible. During the hearing, the Department could not explain the discrepancy but acknowledged that the \$213 figure was correct. Because the notice was incorrect, the Department must issue to Petitioner a new notice correctly informing her of her MA eligibility, effective January 1, 2019.

DECISION AND ORDER

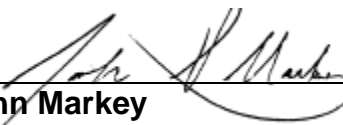
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it determined Petitioner's MA eligibility and notified her of the same. Accordingly, 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. Issue to Petitioner a Health Care Coverage Determination Notice accurately reflecting Petitioner's monthly deductible of \$213, effective January 1, 2019;
2. Provide Petitioner with MA coverage she is eligible to receive for January 1, 2019, ongoing; and
3. Notify Petitioner of its MA decision in writing.

JM/cg



John Markey
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

Via Email:

MDHHS-Macomb-12-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MAHS

Petitioner – Via First-Class Mail:

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