



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: December 17, 2019  
MOAHR Docket No.: 19-011506  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

**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 December 9, 2019, from Detroit, Michigan. Petitioner represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED] Hearing Facilitator.

**ISSUE**

Did the Department properly determine that Petitioner was eligible for Medical Assistance (MA) benefits subject to a deductible of \$557.00 per month?

**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 ongoing recipient of MA benefits.
2. On October 4, 2019, the Department received a completed Redetermination from Petitioner.
3. Petitioner receives \$1,302.00 in Retirement, Survivors and Disability Insurance (RSDI) benefits per month and has one minor child residing in her home.
4. On October 8, 2019, the Department sent Petitioner Health Care Coverage Determination Notice which notified Petitioner that he was eligible for MA benefits subject to a deductible in the amount of \$557.00.

5. On [REDACTED] 2019, Petitioner filed 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.

G2C is a Family Independence Program (FIP)-related Group 2 MA category. BEM 135 (October 2015), p. 1. MA is available to parents and other caretaker relatives who meet the eligibility factors in this item. BEM 135, p. 1. All eligibility factors must be met in the calendar month being tested. BEM 135, p. 1.

Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135, p. 2. The Department applies the MA policies in BEM 500, 530 and 536 to determine net income. BEM 135, p. 2. If the net income exceeds Group 2 needs, MA eligibility is still possible. BEM 135, p. 2.

Additionally, BEM 536 outlines a multi-step process to determine a fiscal group member's income. BEM 536 (October 2017), p. 1. In this case, a fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 536, p. 1. Petitioner is disputing the determination of eligibility for her MA benefits.

Petitioner confirmed that she receives RSDI in the amount of \$1,302.00 monthly. The Department next determines the number of dependents living with the fiscal group member. BEM 536, p. 4. The Department does not count the member being processed as a dependent. BEM 536, p. 4. Petitioner has one minor son; and as such, the number of dependents is one. Next, the Department adds 2.9 to Petitioner's number of dependents (one), which results in a prorated divisor of 3.9. BEM 536, p. 4. The Department will then divide the person's total net income by the prorated divisor, which results in the adult's prorated share amount of \$333.84; (\$1,302.00 net income divided by 3.9 prorated divisor). BEM 536, p. 4. The Department does not include the cents in its calculations, and as such used \$333.00 as the adult's prorated share amount.

Then, an adult's fiscal group's net income is the total of the following amounts:

- The adult's net income ("Fiscal Group Member's Total Net Income") if the adult has no dependents or 2.9 prorated shares of the adult's own income if the adult has dependents (adult's "Step 13" times 2.9), plus
- If the spouse is in the adult's fiscal group:
  - 3.9 prorated shares of the spouse's own income (spouse's "Step 13" times 3.9), plus
  - one prorated share of the adult's (person requesting MA) income (adult's amount from "**Step 13**").

**Note:** This is the couple's share of each other's income. BEM 536, pp. 6-7.

Applying the above policy, the Department calculated an adult's share of adult's own income of \$965.00 (\$333.00 times 2.9). See BEM 536, p. 6. Finally, clients are eligible for full MA coverage when net income does not exceed applicable Group 2 MA protected income levels (PIL) based on the client's shelter area and fiscal group size. BEM 544, p. 1; RFT 240 (December 2013), p. 1; and RFT 200 (April 2017), pp. 1-2. Additionally, the PIL only includes the client and his/her spouse. In this case, the monthly PIL for an MA group of one living in Macomb County is \$408.00 per month. RFT 200, p. 3; RFT 240, p. 1.

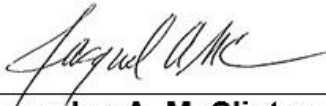
An individual whose income is in excess of the applicable monthly PIL may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the individual's monthly net income exceeds the applicable PIL. BEM 135, p. 2 and BEM 545 (July 2013), p. 2. Petitioner's monthly total net income of \$965.00 exceeds the \$408.00 PIL by \$557.00; the deductible amount calculated by the Department.

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 that Petitioner was eligible for MA benefits subject to a deductible in the amount of \$557.00 per month.

### **DECISION AND ORDER**

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

JAM/jaf

  
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**Jacquelyn A. McClinton**  
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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS** (via electronic mail)

[REDACTED]

**Petitioner** (via first class mail)

[REDACTED]