



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 9, 2019
MAHS Docket No.: 19-001441
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 April 3, 2019, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Lisa Matlock, specialist.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility beginning January 2019.

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 Medicaid benefit recipient through the MA category of Aged-Disability Care (hereinafter (AD-Care)).
2. At all relevant times, Petitioner was disabled, non-pregnant, married, and a recipient of Medicare.

3. As of January 2019, Petitioner also received monthly Retirement, Survivors and Disability Insurance (RSDI) of \$1,208/month. Petitioner's spouse (hereinafter, "Spouse") received ongoing RSDI of \$418/month.
4. On an unspecified date, MDHHS determined Petitioner to be eligible for Medicaid subject to a \$960/month deductible beginning January 2018.
5. On February 15, 2019, Petitioner requested a hearing to dispute the determination that he was eligible for Medicaid subject to a deductible. Petitioner also requested a hearing to dispute State Emergency Relief (SER) eligibility.

CONCLUSIONS OF LAW

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

Petitioner requested a hearing to dispute SER. SER assists applicants with safe, decent, affordable housing and other essential needs when an emergency situation arises (e.g. utility shut-offs). ERM 101 (March 2013) p. 1. Petitioner's testimony acknowledged that he was unaware of the purpose of the SER program and that he did not need a hearing to dispute SER. Based on Petitioner's withdrawal, Petitioner's hearing request concerning SER will be dismissed.

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner also requested a hearing to dispute a determination that Petitioner was eligible for Medicaid subject to a deductible. MDHHS did not present a corresponding notice but it was not disputed that MDHHS determined that Petitioner was eligible for Medicaid subject to a \$960/month deductible beginning January 2019.

Medicaid is also known as Medical Assistance (MA). BEM 105 (April 2017), p. 1. The Medicaid program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or

recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

MA categories are also split into categories of Group 1 and Group 2. *Id.*, p. 1. For Group 1, a group's net income must be at or below a certain income level for eligibility. *Id.*

As of the disputed benefit month, Petitioner was disabled, non-pregnant, married, and a recipient of Medicare. Petitioner's circumstances render him ineligible for all MAGI-related categories. As a disabled individual, Petitioner is potentially eligible for Medicaid through the category of AD-Care.

AD-Care is a Group 1 category. BEM 163 outlines the procedures for determining AD-Care eligibility.

AD-Care budgets factor a client's monthly income. In determining Petitioner's AD-Care eligibility, MDHHS factored Petitioner's and Spouse's RSDI as \$1,208 and \$418, respectively. Petitioner acknowledged that his and Spouse's combined income was \$1,626/month.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses; no such credits were applicable. Cost of living adjustments (COLA) are applicable for the benefit months of January through March only; MDHHS credited Petitioner for a \$44 credit which is assumed to accurately reflect Petitioner's and Spouse's increase in RSDI from 2018. Subtracting the RSDI from Petitioner's and Spouse's income results in a countable net income of \$1,582.

AD-care income limits are 100% of the Federal Poverty Level + \$20. RFT 242 (April 2018) p. 1. The income limit for a two-person AD-Care group is \$1,391.67. *Id.* Petitioner's countable income exceeds the AD-Care income limit; therefore, Petitioner is not eligible for Medicaid through AD-Care.¹

For Group 2 categories, MA eligibility is possible even when net income exceeds the income limit for a Group 1 category; this is possible because incurred medical expenses are used when determining eligibility. *Id.* Group 2 categories are considered a limited benefit because a deductible is possible. *Id.*

Clients with a deductible may receive Medicaid if sufficient allowable medical expenses are incurred. BEM 545 (April 2018), p. 11. Each calendar month is a separate

¹ Curiously, Petitioner received Medicaid in 2018 under AD-Care. MDHHS testimony credibly indicated that Spouse's RSDI was not factored when Petitioner was eligible for Medicaid and that Petitioner was ineligible for Medicaid after Spouse's RSDI was factored.

deductible period. *Id.* The fiscal group's monthly excess income is called the deductible amount. *Id.* Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. *Id.*

The corresponding Group 2 category for AD-Care is G2S. SSI-related Group 2 budgets are outlined in BEM 530 and BEM 541.

A G2S budget begins with determining countable income. For G2S, Petitioner's and Spouse's RSDI of \$1,626 is counted. The G2S budget allows a \$20 disregard for unearned income and various earned income disregards.

The G2S budget factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, COLA (for January-March only), and remedial services. MDHHS credited Petitioner with a \$60.50 insurance premium credit, though Petitioner testified he had no such expense. For purposes of this decision, Petitioner's G2S eligibility will be calculated as if Petitioner had a \$60.50/month insurance expense. MDHHS also credited Petitioner with a \$44 COLA as the disputed benefit month was January.

A client's deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A PIL is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's shelter area and group size is \$541 (see RFT 240 (December 2013), p. 1).

Subtracting the PIL, insurance premium, COLA, and \$20 disregard from Petitioner's countable income results in a monthly deductible of \$960- the same amount calculated by MDHHS (see Exhibit A, p. 9). Thus, it is found that MDHHS properly determined Petitioner's Medicaid eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Petitioner withdrew his dispute concerning SER. Concerning SER, Petitioner's hearing request is **DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible, effective January 2019, for Medicaid subject to a \$960/month deductible. The actions taken by MDHHS are **AFFIRMED**.

CG/cg



Christian Gardocki

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-20-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MAHS

Petitioner – Via First-Class Mail::

[REDACTED]
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