



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]

Date Mailed: April 12, 2019  
MAHS Docket No.: 19-001901  
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, an in-person hearing was held on April 4, 2019, from Detroit, Michigan. Petitioner represented himself. The Department of Health and Human Services (Department) was represented by Eric Murphy, Eligibility Specialist.

**ISSUE**

Did the Department properly determine that Petitioner was eligible for Medical Assistance (MA) benefits subject to a deductible of \$613.00 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. Petitioner receives \$1,123.00 in RSDI benefits per month.
3. On January 29, 2018, 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 \$613.00.
4. On February 21, 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.

In this case, Petitioner receives RSDI income in the amount of \$1,123.00 per month. The Department submitted a budget in support of its determination that Petitioner was eligible for MA benefits subject to a monthly deductible in the amount of \$613.00. The Department applied the \$20.00 unearned income disregard to Petitioner's income resulting in a net unearned income of \$1,103.00. See BEM 541 (January 2017), p. 3. The Department gave Petitioner credit for insurance premiums in the amount of \$83.60 each month. However, Petitioner testified that he no longer pays that insurance premium. During the first three months of the year, the Department provides clients with at COLA exclusion in the amount of \$31.00. When the insurance premium and the COLA exclusion is subtracted from Petitioner's net earned income, his countable income is \$988.40.

Clients are eligible for Group 2 MA coverage when their net income, less any allowable needs deductions, exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL.

The monthly PIL for an MA fiscal group size of one living in Macomb County is \$375.00 per month. RFT 240 (December 2013), p. 1. Thus, if Petitioner's net income is in excess of \$375.00, he may become eligible for MA assistance subject to a deductible program. As discussed above, Petitioner's countable income totaled \$988.40. The evidence at the hearing established that Petitioner was not eligible for any further deductions. Because Petitioner's net income of \$988.40 exceeded the applicable \$375.00 PIL by \$613.00, the Department properly concluded that Petitioner was eligible for MA coverage subject to a monthly \$613.00 deductible effective March 1, 2019.

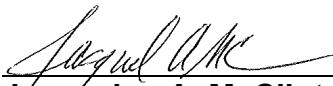
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in

accordance with Department policy when it determined that Petitioner was eligible for MA subject to a \$613.00 monthly deductible effective March 1, 2019.

**DECISION AND ORDER**

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

JAM/tlf



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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 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-Wayne-41-Hearings  
BSC4 Hearing Decisions  
EQAD  
D. Smith  
MAHS

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

