



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: September 17, 2019  
MOAHR Docket No.: 19-008368  
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 September 11, 2019 from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Haysem Hosny, Eligibility Specialist. During the hearing, an eight-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-8.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for Medicaid (MA), effective August 1, 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 is disabled and resides in a household that consists of herself and her minor child. Petitioner receives monthly unearned RSDI income of \$1,304. Exhibit A, pp. 5-7.
2. Petitioner was an ongoing recipient of MA benefits under the Low-Income Family (LIF) category. Based on her income, Petitioner should not have been receiving that coverage.

3. On July 15, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that she was eligible for MA benefits subject to a \$560 monthly deductible, effective August 1, 2019.
4. On [REDACTED] 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's determination of Petitioner's eligibility for MA benefits.

### **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.

Petitioner submitted to the Department a request for hearing objecting to the Department's determination that she was eligible for MA benefits subject to a \$560 monthly deductible, effective August 1, 2019. Petitioner is disabled and lives with her minor child. Petitioner verified at the hearing that her household income consisted of her monthly unearned income of \$1,304 in the form of RSDI she receives from the Social Security Administration. Accordingly, the Department properly determined that Petitioner was not eligible for either AD-Care or LIF MA as her income exceeded the limit for eligibility based on the rules applicable to those programs. BEM 163 (July 2017), p. 1; BEM 110 (April 2018), p. 1.

Although Petitioner was properly found ineligible for AD-Care and taken off the LIF MA program, the Department, in accordance with Department policy, reviewed Petitioner's circumstances and determined that because she was the parent of a dependent child in her home, she was eligible for MA coverage under the G2C program. See BEM 105 (April 2017), p. 2; BAM 220 (April 2019), pp. 18-20; BAM 210 (January 2019), p. 1; BEM 135 (October 2015), p. 1.

G2C is a Group 2 MA program. Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105, p. 1. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the amount the individual's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL),

which is based on the client's shelter area (county in which the client resides) and fiscal group size. BEM 135, p. 2; BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1.

For purposes of Group 2 MA eligibility, Petitioner has an MA fiscal group size of one. BEM 211 (February 2019), p. 9. Because she lives in Macomb County, her PIL is \$408. RFT 200 (April 2017), p. 3; RFT 240, p. 1. Thus, if Petitioner'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 income exceeds \$408.

The Department presented a copy of the G2-FIP related MA net income budget showing the calculation of Petitioner's monthly deductible. Exhibit A, p. 8. The budget shows that Petitioner prorated income is \$334. An adult's prorated income is determined by dividing monthly budgetable income, calculated in accordance with BEM 536, pp. 1-4, by the adult's applicable prorate divisor, which is the sum of 2.9 and the number of dependents living with the adult. BEM 536, p. 4.

For purposes of determining an adult's eligibility for Group 2 MA, only the income for the adult and her spouse, if any, is considered. BEM 211, p. 8. As discussed above, Petitioner has unearned income of \$1,304 monthly. For purposes of determining the prorate divisor, dependent means the adult's spouse and unmarried children under age 18. BEM 536, p. 4. In this case, Petitioner is unmarried and has only one minor child. Therefore, Petitioner has one dependent, and her prorate divisor is 2.9 plus one, or 3.9. Petitioner's prorated income is then determined by dividing Petitioner's net income of \$1,304 by the divisor of 3.9. That leaves a correct prorated amount of \$334.

For MA purposes, the fiscal *group's* net income for an adult where there is not a spouse in the fiscal group is calculated by multiplying the adult's prorated income times 2.9. BEM 536, p. 6. 2.9 times Petitioner's prorated income of \$304 equals a group net income of \$968.

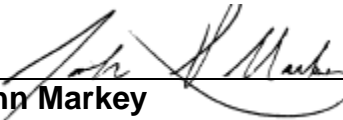
Because Petitioner's group's net income of \$968 exceeds the applicable \$408 PIL by \$560, Petitioner was correctly determined to be eligible for MA coverage under the G2C program subject to a deductible. The applicable deductible is equal to the amount net income exceeds the PIL. In this case, that amount is \$560, which is exactly what the Department determined.

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 eligibility for MA benefits, effective August 1, 2019.

**DECISION AND ORDER**

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

JM/cg

  
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**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 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

**Via Email:**

MDHHS-Macomb-36-Hearings  
D. Smith  
EQAD  
BSC4- Hearing Decisions  
MOAHR

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

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