



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]  
[REDACTED]

Date Mailed: July 27, 2020  
MOAHR Docket No.: 20-003923  
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 July 16, 2020, from Trenton, Michigan. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Valarie Foley, hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly determined Petitioner's Medicaid eligibility.

### **FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of February 2020, Petitioner was unmarried, a recipient of Medicare, and not a caretaker to minor children.
2. As of February 2020, Petitioner received monthly Retirement, Survivors and Disability Insurance (RSDI) of \$1,355 per month which was a \$21 increase in RSDI from 2019.
3. As of February 2020, Petitioner was not responsible for insurance premiums, guardianship or conservatorship costs, or remedial services.
4. On an unspecified date, MDHHS determined that Petitioner was eligible for Medicaid subject to a monthly deductible of \$918 beginning February 2020.

5. On [REDACTED], 2020, Petitioner requested a hearing to dispute the ongoing determination of Medicaid eligibility.<sup>1</sup>

### **CONCLUSIONS OF LAW**

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 requested a hearing to dispute Medicaid eligibility. Exhibit A, pp. 3-4. Petitioner testified that he specifically disputed an ongoing determination that he was eligible for Medicaid subject to a monthly deductible. A history of Petitioner's Medicaid eligibility listed that he was eligible for Medicaid subject to a \$918 monthly deductible beginning February 2020. Exhibit A, pp. 20-21.

Medicaid is also known as Medical Assistance (MA). BEM 105 (January 2020), 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.*

As of the hearing date, Petitioner was disabled and/or aged, not pregnant, a Medicare recipient, and not a caretaker to minor children. Under the circumstances, Petitioner is ineligible for all MAGI-related categories. As a disabled and/or aged individual, the only SSI-related Medicaid category for which Petitioner could be eligible is AD-Care.

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.* Eligibility for a Group 1 category would result in issuance of full-Medicaid (i.e. Medicaid without a monthly deductible). AD-Care is a Group 1 category. BEM 163 outlines the procedures for determining income eligibility under AD-Care.

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<sup>1</sup> On [REDACTED] 2020, Petitioner submitted a second hearing request to the Michigan Office of Administrative Hearings and Rules concerning the same dispute. This hearing decision is intended to address both hearing requests submitted by Petitioner.

Determining AD-Care income eligibility begins with factoring a client's income.

As of the disputed benefit month, Petitioner received monthly gross RSDI of \$1,355. Generally, for SSI-related MA, MDHHS factors the gross amount of RSDI in determining Medicaid eligibility.<sup>2</sup> BEM 503 (April 2019), p. 28. For purposes of AD-Care, Petitioner's RSDI of \$1,355 is countable.

MDHHS gives AD-Care budget credits for employment income, guardianship and/or conservator expenses. Cost of living adjustments (COLA) are applicable for the benefit months of January through March only. BEM 503 (January 2019), p. 29. As the present case concerns eligibility from February, Petitioner is entitled to a \$21 credit for the increased RSDI from 2019. For purposes of AD-Care, Petitioner's net income is \$1,334 per month.

AD-care income limits are 100% of the Federal Poverty Level + \$20. RFT 242 (April 2019), p. 1. The income limit for a one-person AD-Care group is \$1,061. *Id.* Petitioner's net countable income exceeds the AD-Care income limit; therefore, Petitioner is not eligible for Medicaid through AD-Care.

Petitioner may still be eligible for Medicaid under a Group 2 category. For Group 2 categories, 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.* For aged/disabled persons, G2S is the applicable Group 2 Medicaid category.

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 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.*

As it was for AD-Care, for G2S, a client's gross RSDI is counted. Petitioner's countable income for purposes of G2S is \$1,355.

The G2S budget allows a standard \$20 disregard for unearned income and various earned income disregards. The G2S budget also factors ongoing medical expenses (which are applied toward a deductible), insurance premiums, and remedial services. Cost of living adjustments (COLA) are applicable for the benefit months of January through March only. BEM 503 (January 2019), p. 29. Petitioner is entitled to the standard \$20 disregard and \$21 credit for COLA as the present case concerns February 2020 eligibility.

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<sup>2</sup> Exceptions to counting gross RSDI include the following: certain former SSI recipients (e.g. disabled-adult children, 503 individuals, and early widowers), retroactive RSDI benefits, Medicare premium refunds, fee deductions made by qualified organizations acting as payee, and "returned benefits" (see BAM 500). No exceptions were applicable to the present case.

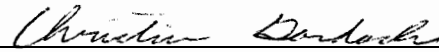
A client's deductible is calculated by subtracting the protected income level (PIL) from the MA net income. A PIL is a standard allowance for non-medical need items such as shelter, food and incidental expenses. The PIL for Petitioner's shelter area and group size is \$375 (see RFT 240 (December 2013), p. 1).

Subtracting the PIL, COLA, and \$20 disregard from Petitioner's countable income results in a monthly deductible of \$918. MDHHS calculated the same deductible. Given the evidence, MDHHS properly determined that Petitioner is eligible for Medicaid subject to a \$918 monthly deductible.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for Medicaid subject to a monthly deductible of \$918 beginning February 2020. The actions taken by MDHHS are **AFFIRMED**.

CG/tlf



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**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 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-Wayne-19-Hearings  
BSC4 Hearing Decisions  
EQAD  
D. Smith  
MOAHR

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

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