



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
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[REDACTED] MI [REDACTED]

Date Mailed: June 1, 2023
MOAHR Docket No.: 23-002024
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 May 4, 2023, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Porche Grant, Department Worker and Olivette Gordon, Family Independence Manager.

ISSUE

Did the Department properly process Petitioner's Medical Assistance (MA) benefits?

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 under the Group 2 Aged, Blind, Disabled (G2S) category with a monthly deductible of \$944.
2. Petitioner had previously submitted medical expenses to the Department to be applied to her monthly MA deductible. Since March 2020, the Department had applied the medical expenses to Petitioner's deductible as old bills and activated Petitioner's full coverage MA benefits.
3. In connection with a Food Assistance Program (FAP) redetermination, Petitioner submitted verification of her income and expenses to the Department. The Department determined that it had been continuing to apply the old bills to Petitioner's monthly MA deductible in error since March 2020. The Department

removed the old bills and determined that effective March 1, 2023, Petitioner's MA was again subject to a monthly deductible of \$944.

4. On or around April 11, 2023, Petitioner requested a hearing disputing the Department's actions with respect to her 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.

In this case, Petitioner disputed the Department's determination that she was eligible for MA under a deductible based program. Petitioner asserted that she has received full coverage MA for several years and should continue to receive full coverage MA. The Department asserted that Petitioner has been approved for MA with a monthly deductible since 2014 and that her full coverage MA had been activated since March 2020 in error, as it was based on old bills from 2013 that were incorrectly applied to her monthly deductible. The Department representative asserted that the error was discovered at the time of a redetermination for Petitioner's FAP case and because Petitioner has not submitted allowable medical expenses to show that she continues to meet her monthly deductible, full coverage MA cannot be activated. The Department representative testified that Petitioner's income exceeded the limit for a full coverage MA program without a monthly deductible.

Petitioner, who has no minor children, is over age ■■■ is enrolled in Medicare, and receives RSDI, is eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105 (January 2021), p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1. Ad-Care coverage is a SSI-related Group 1 MA category which must be considered before determining Group 2 MA eligibility. BEM 163 (July 2017), p. 1. Eligibility for Ad-Care is based on the client meeting nonfinancial and financial eligibility criteria. BEM 163, pp. 1-2. The eligibility requirements for Group 2 MA and Group 1 MA Ad-Care are the same, other than income. BEM 166 (April 2017), pp. 1-2.

Income eligibility for the Ad-Care program is dependent on MA fiscal group size and net income which cannot exceed the income limit in RFT 242. BEM 163, p. 2. Petitioner has a MA fiscal group of one. BEM 211 (July 2019), pp. 5-8. Effective April 1, 2022, an MA fiscal group with one member is income-eligible for full-coverage MA under the Ad-Care program if the group's net income is at or below \$1,153, which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242 (April 2022), p. 1.

The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163. The Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p. 2. The Department presented an SSI Related Medicaid Income Budget to show how the deductible was calculated and the income considered. The Department considered unearned income of [REDACTED] which Petitioner confirmed was correct based on her receipt of gross monthly RSDI or Social Security benefits in the amount of [REDACTED] and [REDACTED] in monthly spousal support.

After further review of Department policy and based on the testimony provided at the hearing, because Petitioner's countable income exceeds the net income limit for the Ad-Care program, the Department acted in accordance with Department policy when it determined that Petitioner was ineligible for full coverage MA benefits under the Ad-Care program without a deductible and determined that she would be eligible for MA under the Group 2 Aged Blind Disabled (G2S) program with a monthly deductible.

Additionally, deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2022), p. 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, pp. 1-2; BEM 166, pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one living in Wayne County is \$375 per month. RFT 200 (April 2017), pp. 1-2; RFT 240, p. 1. Thus, if Petitioner's net monthly income is in excess of the \$375, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds \$375. BEM 545, p. 1.

As referenced above, the Department properly considered gross unearned income in the amount of [REDACTED]. The Department also properly applied a [REDACTED] unearned income exclusion to determine that Petitioner had net income for MA purposes of [REDACTED]. Petitioner was not responsible for any monthly insurance premiums and the Department testified that while other expenses may have been submitted, they were not ongoing monthly expenses to be applied as a deduction to the budget. Additionally, the Department testified that Petitioner submitted one medical bill for \$50 on April 7, 2023, and it was applied as a one-time expense. However, because the expense was

insufficient to meet the monthly deductible, full coverage MA was not activated. The Deductible Budget also shows a deduction of \$107 which the Department testified consisted of the cost of living adjustment (COLA), as the budget was for the month of March 2023 and this deduction is based on Petitioner's receipt of RSDI. Petitioner's countable income was determined to be [REDACTED].


Upon review, the Department properly considered Petitioner's unearned income and took into consideration the appropriate deductions to income, based on the evidence presented because Petitioner's countable income of [REDACTED] for MA purposes exceeds the monthly protected income level of \$375 by \$944, the Department properly calculated Petitioner's monthly \$944 MA deductible in accordance with Department policy. Therefore, based on the information relied upon by the Department, the Department properly determined that Petitioner was eligible for MA under the G2S program with a monthly deductible of \$944.

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 processed Petitioner's MA benefits.

DECISION AND ORDER

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

ZB/ml



Zainab A. Baydoun
Administrative Law Judge

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 Electronic Mail:

DHHS
Richard Latimore
Wayne-Conner-DHHS
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Interested Parties

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M. Schaefer
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Via First Class Mail:

Petitioner

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