



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
ACTING DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: October 27, 2023  
MOAHR Docket No.: 23-005138  
Agency No.: [REDACTED]  
Petitioner: [REDACTED] [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Colleen Lack**

**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 28, 2023, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Raven Douthard, Hearing Facilitator.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-16.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA)?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On May [REDACTED] 2023, Petitioner submitted a Renew Benefits for her MA case. Petitioner reported income from Social Security RSDI benefits. (Exhibit A, pp. 11-13)
2. On August [REDACTED] 2023, a Health Care Coverage Determination Notice was issued to Petitioner approving MA under a limited coverage category (Plan First) as of July 1, 2023, and MA with a monthly deductible of \$[REDACTED] as of September 1, 2023. (Exhibit A, pp. 5-10)

3. On August 22, 2023, Petitioner submitted a hearing request contesting the MA deductible determination. (Exhibit A, pp. 3-4)

### **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.

The Medicaid program comprise several sub-programs or categories. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2021, p. 1.

The Department counts the gross benefit amount of RSDI benefits as unearned income when determining eligibility. BEM 503, January 1, 2023, p. 29.

The Department utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. The Department does count allowable medical expenses, such as health insurance premiums, in the MA eligibility budget. BEM 544, pp. 1-2.

For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus ½ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2023, pp. 1-7.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, (July 1, 2022), p. 1-3.

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. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. The examples listed in policy indicate that the client has until the last day of the third month after the expense to report the expense to the Department for it to be utilized for that month; or until the last day of the third month following notification that they have a deductible case to report the expense. BEM 545, p. 10-12.

On May █ 2023, Petitioner submitted a Renew Benefits for her MA case. Petitioner reported income from Social Security RSDI benefits. (Exhibit A, pp. 11-13). The Department verified Petitioner's income from SSA issued RSDI benefits. It was also explained that redeterminations were not completed during the COVID-19 public health emergency. The special rules that allowed MA coverage to remain in place during the COVID-19 public health emergency have ended and the Department is now redetermining current eligibility for MA. (Hearing Facilitator Testimony).

On August █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner approving MA under a limited coverage category (Plan First) as of July 1, 2023, and MA with a monthly deductible of \$█ as of September 1, 2023. (Exhibit A, pp. 5-10).

Petitioner contests having the monthly deductible. Petitioner explained that she cannot come up with the \$█ monthly deductible amount. Further, without the full coverage MA she previously had, Petitioner is no longer eligible for the assistance she was receiving through the Home Help Services program. (Petitioner Testimony).

The MA budget was reviewed with Petitioner. There was no dispute regarding Petitioner's income or that she did not have any of the allowable deductions or medical expenses. (Petitioner Testimony).

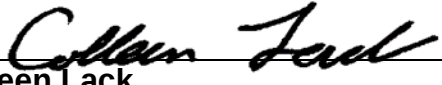
This Administrative Law Judge has no authority to change or make any exceptions to the applicable regulations and policy, which require a monthly deductible when there is excess income. Overall, the evidence establishes that the Department properly determined Petitioner's eligibility for MA based upon the available information.

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.

**DECISION AND ORDER**

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

CL/dm

  
\_\_\_\_\_  
Colleen Lack  
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**  
Jeanenne Broadnax  
Wayne-Taylor-DHHS  
**MDHHS-Wayne-18-**  
**Hearings@michigan.gov**

**SchaferM**

**EQADHearings**

**BSC4HearingDecision**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]