



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: August 12, 2024
MOAHR Docket No.: 24-006186
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 hearing was held by telephone on July 15, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Danielle Moton, Assistance Payments Worker.

ISSUE

Did the Department properly determine Petitioner's Group 2 Caretaker Relative (G2C) Medicaid (MA) deductible?

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 and her daughter, [REDACTED] (SA), are ongoing recipients of MA.
2. Petitioner has been approved for G2C MA with a monthly deductible since at least December 1, 2023. (Exhibit A, p. 19).
3. Petitioner and SA were due for a redetermination of MA eligibility and completed the application and provided all requested income verification.
4. On March 4, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) approving Petitioner for G2C MA with a monthly

deductible of \$1,481 and Plan First Family Planning (PFFP), and approving SA for full coverage MICHild MA, both effective April 1, 2024. (Exhibit A, pp. 19 – 23).

5. On May 2, 2024, the Department sent Petitioner a HCCDN under a different case number, denying and closing Petitioner's and SA's MA case under that case number. (Exhibit A, p. 13).
6. On May 15, 2024, the Department received a request for hearing from Petitioner disputing denial/closure of her and SA's MA. (Exhibit A, pp. 3 – 5).

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 requested a hearing to dispute denial/closure of her and SA's MA case. The Department closed Petitioner's MA case under a different case number and confirmed Petitioner has ongoing G2C MA with a monthly deductible of \$1,481 and PFFP MA, and SA has ongoing full coverage MICHild MA, both effective April 1, 2024 ongoing.

At the hearing, Petitioner confirmed that her only outstanding dispute was regarding her G2C deductible amount and did not dispute her PFFP coverage or SA's MA coverage.

G2C is a Group 2 program for parents and other caretaker relatives of dependent children; eligible individuals with excess income under this program have a monthly deductible. BEM 135 (October 2015), p. 1 – 2. Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105 (January 2024), p. 1. In such cases, the client is eligible for MA coverage with a deductible in the amount of the individual's net income (countable income minus allowable income deductions) minus the applicable protected income level (PIL). BEM 135, p. 2; BEM 105, p. 1. The PIL is a set allowance for nonmedical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides, and the client's fiscal MA group size. BEM 544, p. 1. In this case, Petitioner is not married and therefore, for purposes of G2C, she has a fiscal group of one. The PIL for Wayne County, where Petitioner resides, is \$375 for a one-person fiscal group. RFT

200 (April 2017), p. 2; RFT 240 (December 2013). Therefore, the amount of Petitioner's net income, calculated in accordance with BEM 536 (July 2019), pp. 1 – 7, in excess of \$375 becomes the amount of her monthly deductible for G2C MA.

The calculation of Petitioner's income for purposes of G2C begins with the determination of her budgetable monthly income. BEM 536, p. 1. Petitioner has two employers, and the Department calculated Petitioner's income from those employers to be \$ [REDACTED] and \$ [REDACTED] per month each. (Exhibit A, pp. 36 – 37). Petitioner did not dispute the Department's calculation. Therefore, Petitioner's total countable income was \$ [REDACTED]

Countable earned income is reduced by a \$90 work expense and then by other deductions such as child care, child support paid to another, or guardianship/conservatorship expenses. BEM 536, pp. 1 – 4. Additional adjustments are made to a client's income when the member has received Family Independence Program (FIP) or Low-Income Families (LIF) within the prior four months, has countable child support or other unearned income. BEM 536, pp. 1 – 4. There was no evidence that Petitioner was entitled to any further adjustments to her income beyond the work expense. Therefore, Petitioner's budgetable income was \$ [REDACTED] minus \$90, or \$ [REDACTED]

The Department introduced a G2C budget at the hearing that reflected that Petitioner's prorated income is \$640. (Exhibit A, p. 38). An adult's prorated income is determined by dividing monthly countable income, calculated in accordance with BEM 536, pp. 1 – 4, by the adult's applicable prorate divisor, which is the sum of 2.9 plus the number of dependents living with the adult. BEM 536, p. 4. In Petitioner's case, she has one dependent therefore, Petitioner's prorate divisor is 2.9 plus 1, or 3.9. BEM 536, p. 4. Although Petitioner's budgetable income divided by 3.9 results in prorated income slightly more than the Department determined, the Department's determination, which is more favorable to Petitioner, is found to be accurate.

Once the Department determines a client's prorated income, the Department must determine the client's fiscal group's total net income. For an unmarried adult with one or more dependents, this is 2.9 prorated shares of the client's income. BEM 536, pp. 6 – 7. Here, because Petitioner has one dependent, her countable share is her prorated income of \$640 multiplies by 2.9 prorated shares, or \$1,856. The Department properly determined Petitioner's group's net income, which is shown on the budget as the countable share of her own income.

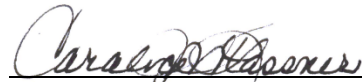
To complete the determination of client's income eligibility, the group's net income is then reduced by a client's payment of insurance premiums and certain expenses related to adult foster care (AFC) and other group living situations. BEM 536, p. 7; BEM 544, pp. 1 – 2. There was no evidence Petitioner has any such expenses. Lastly, Petitioner was entitled to a \$375 PIL deduction from her \$1,856 net income, which left \$1,481, which becomes the monthly G2C deductible. Therefore, the Department properly determined Petitioner's G2C deductible for April 2024 ongoing.

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 G2C MA deductible.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
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

Tara Roland 82-17
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Interested Parties

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Via-First Class Mail :

Petitioner

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