

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

EET

Reg. No.: 2011-15129
Issue No.: 2017
Case No.: [REDACTED]
Hearing Date: February 17, 2011
Wayne County DHS (15)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on February 17, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's eligibility for Medicare Savings Program (MSP) 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. Claimant was an ongoing MA benefit recipient.
2. On an unspecified date, Claimant began receiving \$1328.50/month in gross Retirement, Survivors, Disability Insurance (RSDI) (see Exhibit 2).
3. Claimant's basis for RSDI was for being a disabled individual.
4. Claimant's RSDI was reduced \$110.50/month for payment of Medicare Part B premium.
5. On 12/6/10, Claimant submitted an Application for Medicare Premium Assistance (Exhibit 1).

6. On an unspecified date, DHS denied Claimant's MSP eligibility for the following reasons: "group not eligible because no MC group was established, "individual failed Medicare cost sharing requirement", no eligible members" and "eligibility denied" (see Exhibit 3).
7. On 1/10/11, Claimant requested a hearing disputing the DHS denial of MSP eligibility.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them. MSP is part of the MA benefit program.

MSP programs offer three different degrees of assistance with payment toward a client's Medicare premium and deductibles. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, deductibles and coinsurances. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. Additional Low Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if funding is available.

In the present case, DHS testified that Claimant was denied MSP benefits because she had excess-income for the program. The DHS testimony contradicts the written notice (see Exhibit 3) provided by DHS justifying the denial. The written notice stated that the reasons that Claimant was ineligible were: "group not eligible because no MC group was established, "individual failed Medicare cost sharing requirement", no eligible members" and "eligibility denied". The written notice stated nothing about Claimant's failure to meet income eligibility requirements for MSP. It is found that DHS denied Claimant MSP eligibility on the basis for failing to meet a non-financial requirement.

Non-financial requirements (e.g. residency, identity, child support and others) would have been specifically listed as the basis for denial if they truly were the basis for denial. The only likely requirement that DHS considered in evaluating Claimant's MSP eligibility is the requirement that the applicant be entitled to Medicare Part A. BEM 165 at 4. The SOLQ (Exhibit 2) verified that Claimant is a Medicare Part A recipient. Thus, DHS failed

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to establish any appropriate basis for denying Claimant's MSP application. It is found that DHS improperly denied Claimant's MSP application.

It should be noted that this decision does not find that Claimant is financially eligible for MSP coverage; that decision has yet to be made by DHS. DHS did not make an income-eligibility determination because DHS had a separate basis to deny Claimant. It is found that Claimant met the MSP regulation requirements to receive an income-eligibility determination by DHS.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application dated 12/6/10 for MSP benefits. It is ordered that DHS shall reinstate Claimant's application dated 12/6/10 and process the application in accordance with DHS regulations. The actions taken by DHS are REVERSED.

Christian Gardocki

Christian Gardocki
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 3/1/2011

Date Mailed: 3/1/2011

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

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