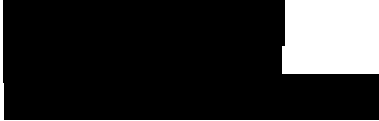


**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**



Reg. No.: 2012-16461  
Issue No.: 2014  
Case No.: [REDACTED]  
Hearing Date: January 18, 2012  
County: Antrim

**ADMINISTRATIVE LAW JUDGE:** C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on January 18, 2012 from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] and [REDACTED] (Claimant). Participants on behalf of Department of Human Services (Department) included Kristina Lewis (Family Independence Specialist).<sup>1</sup>

**ISSUE**

Whether the Department properly closed Claimant's Medicare Savings Program case, where it was determined that her net countable income exceeded the program's income limits?

**FINDINGS OF FACT**

1. On October 13, 2011, the Department received Claimant's application for benefits under the Medicare Savings Program - Medicare Cost Sharing Assistance Program (ALMB). (Department's Exhibits 19-42.)
2. Based on earned and unearned income information obtained by the Department, Claimant's monthly net countable income was determined to exceed the income limits for participation in the ALMB. (Department's Exhibits 46-47.)
3. On November 28, 2011, the Department notified Claimant that her ALMB application was denied. (Department's Exhibit 46.)
4. Claimant filed a hearing request on December 2, 2011. (Request for Hearing.)

**CONCLUSIONS OF LAW**

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<sup>1</sup> Claimant requested a hearing regarding Food Assistance Program (FAP) benefits. However, Claimant voluntarily agreed to dismiss her hearing request concerning FAP.

The hearing and appeals process for applicants and recipients of public assistance in Michigan is governed by Mich Admin Code, R 400.901 through 400.951, in accordance with federal law. An opportunity for hearing must be granted to an applicant who requests a hearing because his claim for assistance is denied or not acted on with reasonable promptness, and to any recipient who is aggrieved by Department action resulting in suspension, reduction, discontinuance, or termination of assistance. Rule 400.903(1).

An applicant or recipient holds the right to contest an agency decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The Department must provide an administrative hearing to review the decision and determine its appropriateness. Bridges Administrative Manual (BAM) 600, p 1.

The MA program was established by Title XIX of the Social Security Act, 42 USC 1396, *et seq.*, and is implemented through federal regulations found in 42 CFR 430, *et seq.* The Department administers the MA program under MCL 400.10, *et seq.*, and MCL 400.105. Department policies developed from this authority are found in the BAM, the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The goal of the MA program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105, p 1. The program is comprised of several sub-programs or categories. One category is Family Independence Program (FIP) recipients. Another category is Supplemental Security Income (SSI) recipients. There are several other categories for persons not receiving FIP or SSI. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. Therefore, these categories are referred to as either FIP-related or SSI-related.

Medicare Savings Programs are SSI-related MA categories. There are three categories:

1. Qualified Medicare Beneficiaries (QMB)
  - This is also called full-coverage QMB.
2. Specified Low-Income Medicare Beneficiaries (SLMB)
  - This is also called limited-coverage QMB and SLMB.
3. Q1 Additional Low-Income Medicare Beneficiaries (ALMB)
  - This is also referred to as ALMB or as just Q1.

There are both similarities and differences between eligibility policies for the three categories. Benefits among the three categories also differ. Income is the major determiner of category. BEM 165, p 1.

QMB pays a client's Medicare premiums (Part A and B), coinsurance, and deductibles. SLMB pays a client's Medicare Part B premiums. And, ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp 1-2. Income eligibility for any of the three categories exists when net income is within the limits found in RFT 242. BEM 165, p 6. Effective April 1, 2011, for purposes of ALMB, the net income limits for a group size of 2 (two) range from \$1,472.00 to \$1576.00. RFT 242.

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if not paid directly, such as income paid to a representative. Countable income is the amount used to determine eligibility and benefit levels. All income that is not specifically excluded by policy is counted. Earned income means income received from another person or organization, or from self-employment for duties that were performed for remuneration or profit. Unearned income is all income that is not earned. BEM 500, p 3.

Countable income for purposes of determining ALMB eligibility includes both earned and unearned income. See BEM 165, p 6; BEM 500; BEM 530.

In the present matter, the evidence established that Claimant's countable net income was \$1,630.00 (comprised of unearned income). She was therefore not entitled to participate in the ALMB and the Department properly denied Claimant's application.

### **DECISION AND ORDER**

Based on the above findings of fact and conclusions of law, and for the reasons stated on the record, the Administrative Law Judge decides that the Department properly determined that Claimant was not eligible to receive benefits under the Medicare Savings Program. To this extent, the Department's action is AFFIRMED.

With regard to Claimant's request for a hearing concerning FAP, following commencement of the hearing, Claimant testified that she now understood and accepted the actions taken by the Department. Claimant also testified that she did not wish to proceed with a hearing concerning FAP. The Department agreed to the dismissal of Claimant's hearing request regarding FAP. Pursuant to MAC R 400.906(1), Claimant's hearing request (pertaining to FAP benefits only) is hereby DISMISSED.

Based on the above discussion, it is ORDERED that the FAP issue is DISMISSED pursuant to MAC R 400.906(1).

It is SO ORDERED.

/s/

C. Adam Purnell  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: 1/26/12

Date Mailed: 1/26/12

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error , or other obvious errors in the hearing decision that effect the substantial rights of the claimant;
  - the failure of the ALJ to address other relevant issues in the hearing decision

Request must be submitted through the local DHS office or directly to MAHS by mail at

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

CAP/ds

cc:

[REDACTED]  
Antrim County DHS

[REDACTED]  
[REDACTED]  
A. Purnell