

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 20138528  
Issue No.: 2014  
Case No.: [REDACTED]  
Hearing Date: April 11, 2013  
County: Wayne Count (#18)

**ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE**

**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 conducted from Detroit, Michigan on Thursday April 11, 2013. The Claimant appeared and testified. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Assistant Payment Worker) and [REDACTED] (Assistant Payment Worker).

**ISSUE**

Whether the Department properly closed the Claimant's medicare savings program?

**FINDINGS OF FACT**

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

1. The Claimant was receiving Medicare cost share benefits.
2. On September 25, 2012, the Department received the Claimant's redetermination packet that included income information. (Exhibit 1)
3. The Claimant receives \$1502 /month in Social Security Income (SSI) and \$210/month in a GM pension; the Claimant spouse receives \$544.70 in Social Security benefits. (Exhibit 2)

4. The Department completed an income budget for the program and determined that the Claimant's household income exceeded the \$1,703 income limit for the program. (Exhibit 3)
5. On October 22, 2012, the Department sent Notice of Case Action informing the Claimant that his Medicare savings program will stop paying his monthly Medicare premium because his household income exceeds the limit for the program.
6. On October 25, 2013 the Department received the Claimant's written hearing request disputing the action.

### **CONCLUSIONS OF LAW**

The Department of Human Services ("DHS") policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the 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.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 (October 2010), p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 1. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105, p. 1. The income limit, which varies by category, is for non-medical needs such as food and shelter. 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 FIP-related and SSI-related Group 2 categories. BEM 105. MA is available to parents and other caretaker relatives who meet certain non- financial and financial eligibility factors. All eligibility factors must be met in the calendar month being tested. BEM 135 (January 2011), p.1. Medicare Savings Programs are SSI-related MA categories but are neither Group 1 nor Group 2. BEM 165 (October 2010), p. 1.

There are three categories that make up the Medicare Savings Program: 1) Qualified Medicare Beneficiaries (QMB) ; 2) Specified Low-Income Medicare Beneficiaries (SLMB); and Q1 Additional Low-Income Medicare Beneficiaries (ALMB). Income is the major determiner of the categories. QMB- net income cannot exceed over 100% of poverty level; SLMB- net income is over 100% but cannot exceed 120% of poverty level; and ALMB- net income is over 120% but cannot exceed 135% of poverty level. BEM 165, p. 2. All categories pay Medicare Part B premiums for a client with category QMB paying any Medicare deductibles also. BEM 165, p. 2. Income eligibility exists when net income is within the limits in RFT 242 . Income eligibility **cannot** be established with a patient-pay amount or by meeting a deductible. The income limit for the ALMB category for a group of 2 is \$1,703. RFT 242 (April 2012), p. 1.

In this case, the Claimant was in the ALMB category based on household income with a group of 2 exceeding 120% of the poverty level. Claimant did not dispute the amount of considered by the Department in the budget computation for the Medicare Savings Program. The income limit for the ALMB category for a group of 2 is \$1,703. RFT 242 (April 2012), p. 1. Therefore, the Department acted in accordance with policy when it determined Claimant no longer eligible for the Medicare Savings Program. The Claimant may reapply at anytime if circumstances change.

Accordingly, the Department's action is upheld.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with policy when it stopped paying Claimant's Medicare premiums under the Medicare Savings Program due to the income exceeding the limit for the program.

Accordingly, the Department's MA determination is hereby, **AFFIRMED**.

*M. Howie*

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**MICHELLE HOWIE**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 4/22/2013

Date Mailed: 4/22/2013

**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. (60 days for FAP cases)

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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

MH/hw

cc:

