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

IN THE MATTER OF:

[redacted]

Reg. No.: 2014-18711
Issue No(s).: 2001
Case No.: [redacted]
Hearing Date: February 5, 2014
County: Ingham

ADMINISTRATIVE LAW JUDGE: DARRYL T. JOHNSON

HEARING DECISION

Following Claimant'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 CF R 431.200 to 431.250; 45 CFR 99. 1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing wa s held on February 5, 2014, fr om Lansing, Michigan. Participants on behalf of Claima nt included the Claim ant, [redacted] and his wif e, [redacted]. Participant s on behalf of the Department of Human Services (Department) included Eligibility Specialis [redacted].

ISSUE

Did the Department properly deny Claimant's Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

1. Claimant was an on-going MA recipient.

2. Claimant and his wife each receive monthly Retirement, Survivors, and Disability Income (RSDI) from the Soci al Security Administration . He rec eives $[redacted] per month and his wife receives $[redacted] per month.

3. Claimant also receives a monthly pens ion of $[redacted] per mont h which began in September, 2013.

4. The countable inc ome of Claimant and his spouse was calculated by the Department as $[redacted] per month as of October 1, 2013.

5. Claimant's FAP budget and MA deducti ble were based upon unearned incom e of $[redacted] monthly for the months of November and December 2013. (See Exhibit 1, page 7.)

6. Because Claimant's RSDI increased t he Department modified Claimant's b udget, resulting in a decrease in his FAP fr om $[redacted] monthly to $ [redacted] monthly, and a change in his MA, moving him from the Fr eedom to Work program to the Group 2 Aged, Blind, Disabled pr ogram with a deductible of $[redacted] per month starting January 1, 2014.

7. On December 16, 2013, Claimant requested a hearing.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Service s Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), D epartment of Human Servic es Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An oppor tunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to c ontest a department decis ion affe cting eligibil ity or benefit levels whenever it is belie ved that the decision is inco rrect. The department will provide an adminis trative hearing to review the de cision and determine the appropriateness . BAM 600.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implement ed by Titl e 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies a re found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The goal of the Medicaid program is to ensure that essentia l health care s ervices are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistanc e (MA). The local office is responsible for determinin g a Client's eligibility, calculating their level of benefits and protecting their rights. BAM 105.

Medicare Savings Programs are SSI-relat ed MA categories. They are neit her Group 1 nor Group 2. This item describes the thr ee categories that ma ke up the Medicare Savings Programs. The three categories are:

1. Qualified Medicare Beneficiari es, also called full-coverage QMB and just QMB. Program group type is QMB.

2. Specif ied Low-Income Medica re Benefic iaries, als o called limitedcoverage QMB and SLMB. Program group type is SLMB.

3. Q1 Additional Low- Income Medicare Beneficiaries, also referred to as ALMB and as just Q1. Program group type is ALMB. BEM 165.

There are both similarities and differences between elig ibility polic ies for the three categories. Benefits among the three categories also differ. Income is the major determiner of categor y. A person who is eligible for one of these categories **cannot** choose to receive a different Medicare Sa vings Program category. For example, a person eligible for QMB cannot c hoose SLMB instead. All eligibility factors must be met in the calendar month being tested. BEM 165.

Benefits of Medicare Savings Programs differ depending on the program. QMB Benefits pay Medicare premiums and Medicare coin surances and Medic are deductibles. SLM B Benefits pay Medicar e Part B premiums. Wh ile ALM B Benefits pay Medicare Part B premiums provided funding is available. The Department of Com munity Health dec ides whether funding is availa ble. BEM 165. General info rmation about Medicare and information about the Buy-In program is available in BAM 180.

The department makes separate Medicare Sa vings Programs determinations for the following clients if they are entitled to Medicare Part A:

- Medicare Savings Programs-only.
- Group 2 MA (FIP-related and SSI-related).
- Extended Care (BEM 164).
- Healthy Kids.
- TMA-Plus.

Automatic QMB Person's receiv ing MA under the following categories and entitled to Medicare Part A are considered QMB eligib le without a separate QMB determination. The QMB coverage date begins the calendar month after the processing month. The processing month is the month during which you make the eligibility determination. QMB is not available for past months or the processing month.

SLMB coverage is available for retro MA mont hs and later months. Note: SLMB is o nly available for months income exc eeds the QMB limit. A person cannot choos e SLMB in place of QMB in order for coverage to start sooner (example, to get retro MA).

ALMB cov erage is available for retro MA months and later months; however, not for time in a previous c alendar year. ALMB is not approved for any month that is in a previous calendar year, even if application was made in the previous calendar year.

If person wishes to know whether MA will pay their Medicare premiums before enrolling in Medicare, that person may contact the D epartment before reaching age 65 (example, during the three months bef ore the person's 65th birthday). The department may advise persons listed under "Automatic QMB" above that MA will pa y their Medicare premium. The department will d o a determinat ion of e ligibility for all other persons. In doing this determination the department will:

- Explain the nonfinancial eligibility factors. Assume they will be met.
- Use current information to determine financial eligibility. Do not ask for verification.
- Explain that changes may affect the actual determination of eligibility.

The department must discuss asset policy thoroughly with the Client if the person's assets exceed the limit. Nonfinancial eligibility factors include that the person must be entitled to Medicare Part A. That means something different for QMB than it does for SLMB and ALMB.

For QMB, entitled to Medicare Part A means the person meets condition 1, 2 or 3:

1. Is receiving Medicare Part A with no premium being charged.
2. Refused premium-free Medicare Part A.
3. Is eligible for, or receiving, Premium HI (Hospital Insurance). Premium HI is what the Social Security Administration calls Medicare.

For SLMB and ALMB, entitled to Medicare Part A means the person is receiving Medicare Part A with no premium being charged.

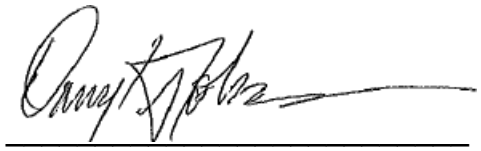
In this case, Claimant's Additional Low-Income Medicare Beneficiaries (ALMB) supplement ended as of October 1, 2013, as a result of excess income. Claimant and his wife testified that they were receiving over $ [redacted] a month in RSDI and a pension.

Federal Regulations at 42 CFR 435.831 provide standards for the determination of the Medical Assistance monthly protected income levels. The department, in this case, is in compliance with the Bridges Reference Manual, tables, charts and schedules, table 242. Table 242 indicates that Claimant's monthly protected income level for a person in Claimant's fiscal group in Claimant's situation for a group of 2 is $ [redacted] Because Claimant received $ [redacted] during the time period pertinent to this hearing, the department's determination that Claimant had excess income for purposes of the ALMB supplement eligibility is correct. Prior to receiving his pension, the Claimant's unearned income, in combination with his wife's unearned income, was $ [redacted] per month and therefore was below the income limit. Once the pension payments began, they exceeded the limit.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly denied Claimant's eligibility for the Medicaid Additional Low-Income Medicare Beneficiaries (ALMB) supplement program due to excess income.

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



Darryl T. Johnson
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 7, 2014

Date Mailed: February 7, 2014

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

DTJ/las

cc: [redacted]