

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

IN THE MATTER OF:

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████████████████████
████████████████████

Reg. No.: 2014-31241
Issue No(s): 2001; 3000
Case No.: ██████████
Hearing Date: April 7, 2014
County: Wayne (55)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on April 7, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ Hearings Coordinator, and ██████████, Family Independence Specialist caseworker.

ISSUES

Did the Department properly determine Claimant's Medicare Savings Program (MSP) eligibility effective April 1, 2014, ongoing?

Did the Department properly process Claimant's reported change in Medical Assistance (MA) coverage?

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 is an ongoing recipient of Group 2 Spend-Down (G2S) - MA coverage. See Exhibit 1.
2. Claimant is a recipient of Retirement, Survivors, and Disability Insurance (RSDI) benefits. See Exhibit 1.

3. Claimant also receives Medicare Part B effective April 1, 2014 and his premium amount is \$104.90 monthly. See Exhibit 1.
4. On March 10, 2014, Claimant filed a hearing request, protesting his Food Assistance Program (FAP) denial and his Medical Assistance (MA) benefits. See Exhibit 1.

CONCLUSIONS OF LAW

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

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Preliminary matter

On March 10, 2014, Claimant also requested a hearing disputing his FAP benefits. See Exhibit 1. Shortly after commencement of the hearing, Claimant testified that he is no longer disputing his FAP benefits. As such, Claimant's FAP hearing request is DISMISSED.

MSP coverage

Medicaid coverage includes Medicare cost-sharing benefits, meaning it will pay for Medicare Part B premiums or Part A and B premiums, coinsurances, and deductibles for certain Medicaid recipients. BAM 810 (July 2013), p. 1.

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 (January 2014), p. 1. Medicaid is also known as Medical Assistance ("MA"). BEM 105, 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.

The Medicare Savings Programs are SSI-related MA Categories. BEM 165 (October 2013), p. 1. The three Medicare Savings Programs are Qualified Medicare Beneficiaries (also known as full-coverage QMB); Specified Low-Income Medicare Beneficiaries (also referred to as limited coverage QMB and SLMB); and Additional Low-Income Medicare Beneficiaries (also known as ALMB or Q1). BEM 165, p. 1.

Full coverage QMB pays for Medicare premiums, co-insurances, and deductibles; limited QMB/SLMB pays Medicare Part B premiums; and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, p. 2. The Department of Community Health determines whether funding is available. BEM 165, p. 2.

In this case, Claimant is an ongoing recipient of G2S - MA coverage. See Exhibit 1. Claimant is a recipient of RSDI benefits. See Exhibit 1. Claimant also receives Medicare Part B effective April 1, 2014 and his premium amount is \$104.90 monthly. See Exhibit 1.

At the hearing, Claimant testified that he was notified from the Social Security Administration (SSA) that he would start having money deducted from his monthly payments. Based on his testimony, Claimant's was referring to his Medicare Part B Premium. Claimant did not present any documentation of such a letter at the hearing. Claimant testified that he has not received any documentation regarding his Medicare Part B Premium coverage.

The Department testified that Claimant would begin receiving Part B Premium effective April 1, 2014, at which time he could apply for benefits in order to have the premium reimbursed. The Department presented a SOLQ document, which did confirm coverage for Medicare Part B Premium effective April 1, 2014. See Exhibit 1. The Department testified that it did not have any application from the Claimant for MSP coverage. The Department testified that it believed an application was necessary in order for his Part B Premium to be reimbursed. Claimant testified that he was not sure if he had applied. The Department presented as evidence a Program Request – Summary, which indicated Claimant's last MA application as of April 11, 2013. See Exhibit 1.

Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (January 2014), p. 9. Other changes must be reported within 10 days after the client is aware of them. BAM 105, p. 10. These include, but are not limited to, changes in: health or hospital coverage and premiums. BAM 105, p. 10.

For MA cases, the Department acts on a change reported by means other than a tape match within 15 workdays after becoming aware of the change. BAM 220 (January 2014), p. 6.

Based on the above information and evidence, the Department failed to process Claimant's reported change in MA/MSP coverage and therefore, failed to determine Claimant's MSP eligibility effective April 1, 2014, ongoing. The reported change in this case was Claimant receiving Medicare Part B premium effective April 1, 2014, ongoing. Claimant is an ongoing recipient of MA benefits. See Exhibit 1. Moreover, MA coverage includes Medicare cost-sharing benefits, meaning it will pay for Medicare Part B premiums or Part A and B premiums, coinsurances, and deductibles for certain Medicaid recipients. BAM 810, p. 1. Thus, Claimant does not need to apply for MSP benefits because he is already an ongoing MA recipient. A review of policy did not indicate any application necessary for MSP coverage when the client is already an ongoing MA recipient.

Additionally, the evidence presented that the reported change in Claimant's MA coverage was when he filed his hearing request on March 10, 2014, in which he disputed his MA coverage. See Exhibit 1. As stated above, the Department acts on a change reported by means other than a tape match within 15 workdays after becoming aware of the change. BAM 220, p. 6. Because the Claimant reported the change on March 10, 2014, this would effective the next benefit month of April 2014. See BAM 220, p. 6. Therefore, the Department will process Claimant's reported change and determine his MSP eligibility effective April 1, 2014, in accordance with Department policy. BAM 105, p. 10; BAM 220, p. 6; BAM 810, p. 1; and BEM 165, p. 2.

DECISION AND ORDER

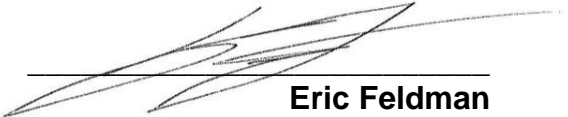
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it (i) failed to process Claimant's reported change in MA/MSP coverage; and (ii) failed to determine Claimant's MSP eligibility effective April 1, 2014, ongoing.

Accordingly, the Department's MA/MSP decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Initiate determination of Claimant's MSP eligibility effective April 1, 2014, in accordance with Department policy;
2. Begin issuing supplements to Claimant for any MSP benefits he was eligible to receive but did not from April 1, 2014, ongoing; and
3. Begin notifying Claimant in writing of its MSP decision in accordance with Department policy.

IT IS ALSO ORDERED that Claimant's FAP hearing request (dated March 10, 2014) is **DISMISSED**.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: April 9, 2014

Date Mailed: April 9, 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

EJF/cl

CC: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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