



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR



Date Mailed: April 15, 2016  
MAHS Docket No.: 16-001600  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **HEARING DECISION**

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, an in-person hearing was held on April 11, 2016, from Warren, Michigan. Petitioner appeared but did not testify. Petitioner was represented by his mother, [REDACTED]. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly denied Petitioner's Medicare Savings Program (MSP) application.

### **FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On [REDACTED], Petitioner applied for Medical Assistance (MA) benefits specifically to seek MSP eligibility.
2. As of [REDACTED], Petitioner received ongoing income from Social Security Administration which was reduced for a Part B Medicare premium of \$121.80.
3. On [REDACTED], MDHHS denied Petitioner's MA application for the reason that Petitioner was not responsible for a Medicare Part B premium.

4. On [REDACTED], Petitioner requested a hearing to dispute the denial of MSP.

### **CONCLUSIONS OF LAW**

Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a denial of an application dated [REDACTED], [REDACTED]. It was not fully established whether Petitioner's MSP eligibility was denied or simply not processed. For purposes of this decision, it will be assumed that MDHHS denied Petitioner's MSP eligibility. It was not disputed that MDHHS either failed to process or denied Petitioner's MSP eligibility because MDHHS believed Petitioner was not responsible for a Medicare premium.

MSP programs offer three different degrees of assistance with payment toward a client's Medicare premium and deductibles (see BEM 165 (January 2016), p. 1). Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, coinsurances, and deductibles (see *Id.*). Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium (see *Id.*). Additional Low Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if DHHS funding is available (see *Id.*). Income is the major determiner of category. *Id.*

During the hearing, it was thought the correctness of the MDHHS decision hinged on whether Petitioner was responsible for paying a Medicare premium. Both MDHHS and Petitioner's AHR submitted documents to support their side.

MDHHS presented Petitioner's SOLQ (Exhibit 1, pp. 1-3). An SOLQ is a document obtained from a data exchange with SSA. Petitioner's SOLQ indicated no responsibility for Medicare Part B.

Petitioner presented a SSA award letter dated [REDACTED] (Exhibit A, pp. 1-2). The letter stated Petitioner was eligible to receive \$994.30 in benefits. The letter also stated Petitioner's benefits would be reduced by \$121.80 due to medical insurance premiums. Petitioner's AHR further bolstered her claim that her son's SSA benefits are reduced for a premium by submitting bank statements (Exhibit A, pp. 4-5) verifying SSA bank deposits of \$872.00 (Petitioner's benefit after Medicare premium deduction).

It is presumed that the “medical insurance premium” deduction by SSA was for Medicare premiums. It is also presumed that the deduction was for a Medicare Part B premium because the reduction matches the 2016 Medicare Part B premium expense (see <https://secure.ssa.gov/poms.nsf/lnx/0601001014>).

Consideration was given to whether Petitioner’s award letter applied to Petitioner or his father. Petitioner happens to share his father’s name. The consideration was quickly dismissed for two reasons. Petitioner’s SSA award letter was addressed to Petitioner’s mother as a guardian; Petitioner’s mother is known to be Petitioner’s guardian. Also, Petitioner’s father’s SSA benefits were also verified by MDHHS to be for an amount different than the amount stated in Petitioner’s SSA award letter (see Exhibit 1, pp. 6-8).

An SOLQ is a generally reliable document, but it is not foolproof. Petitioner’s evidence was persuasive in establishing that Petitioner is responsible for payment of a Medicare premium. Despite this finding, MSP determinations do not hinge on a client’s Medicare Part B eligibility.

[MDHHS is to] do Medicare Savings 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, [and/or] TMA-Plus. BEM 165 (July 2013), pp. 2-3. Person’s receiving MA under the following categories and entitled to Medicare Part A are considered QMB eligible without a separate QMB determination: BEM 110, Low-Income Families and FIP recipients, BEM 111, Transitional MA, BEM 113, Special N/Support, BEM 150, SSI Recipients, BEM 154, Special Disabled Children, BEM 155, 503 Individuals, BEM 156, COBRA Widow(er)s, BEM 158, DAC, [and/or] BEM 163, AD-Care. *Id.*, p. 3.

Petitioner’s SOLQ indicated Petitioner was not eligible for Part A Medicare. Petitioner’s AHR did not present evidence of Petitioner’s Part A Medicare eligibility. Despite the lack of evidence from Petitioner, it is not known what circumstance would allow Petitioner to pay a Medicare premium, yet be ineligible for Part A Medicare; such a circumstance seems highly improbable.

Petitioner’s SSA award letter lists a claim number ending in “C”. From personal experiences, an SOLQ is particularly prone to error for disabled adult children; Petitioner is such an individual.

It is also notable that Petitioner’s SSA claim number listed on his award letter does not match the claim number on the SOLQ. The failure of the SOLQ to match Petitioner’s claim number listed on SSA correspondence is suggestive that the SOLQ may inaccurately reflect Petitioner’s Medicare eligibility.

Based on presented evidence, it is found MDHHS failed to establish Petitioner is ineligible for Part A and B Medicare. Accordingly, the denial of Petitioner’s MSP application is found to be improper. MDHHS will be ordered to redetermine Petitioner’s MSP eligibility based on Petitioner’s proper claim number.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's MSP application dated January 28, 2016. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) redetermine Petitioner's MSP eligibility, subject to the finding that Petitioner is responsible for a Medicare Part B premium and has a claim number ending in "C"; and
- (2) issue any benefits improperly not issued.

The actions taken by MDHHS are **REVERSED**.



CG/hw

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**Christian Gardocki**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]

**Authorized Hearing Rep.**

[REDACTED]