



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Julie A. McMurtry  
Interim Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: July 27, 2017  
MAHS Docket No.: 17-007351  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Eric J. Feldman**

**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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on [REDACTED], from Detroit, Michigan. Petitioner was represented by her Authorized Hearing Representative (AHR), [REDACTED], Case Manager from [REDACTED]. Petitioner was also present for the hearing. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearings Facilitator.

**ISSUE**

Did the Department properly deny Petitioner’s Medical Assistance (MA) application dated [REDACTED], retroactive to [REDACTED]?

**FINDINGS OF FACT**

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

1. Petitioner is an ongoing recipient of the Medicare Savings Program (MSP) - Specified Low-Income Medicare Beneficiaries (SLMB) coverage. [Exhibit A, p. 7.]
2. Petitioner is [REDACTED] years old; she is disabled; and she receives \$[REDACTED] in monthly Retirement, Survivors and Disability Insurance (RSDI) benefits. [Exhibit A, pp. 5-6.]
3. On [REDACTED], the AHR submitted an online MA application on behalf of Petitioner, retroactive to [REDACTED]. [Exhibit B, pp. 1-8.]

4. In the application, Petitioner reported that she was disabled. [Exhibit B, p. 4.]
5. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice (determination notice) notifying her that she was not eligible for MA benefits effective [REDACTED], because she was not blind, disabled, pregnant, parent/caretaker relative of a dependent child or meet age requirements and other denials reasons. [Exhibit B, pp. 9-12.]
6. On [REDACTED], the AHR filed a hearing request, protesting the Department's action. [Exhibit A, pp. 3-4.]

### **CONCLUSIONS OF LAW**

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

The 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. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

#### **Preliminary matter**

In this case, the AHR filed a hearing request, protesting Petitioner's MA benefits. [Exhibit A, p. 4.] According to the Department's Hearing Summary, the caseworker believed the AHR was disputing Petitioner's MSP benefits. [Exhibit A, p. 1.] However, during the hearing, it was determined that Petitioner is an ongoing recipient MSP - SLMB coverage; and the AHR was not disputing these benefits. [Exhibit A, p. 7.] As such, because the AHR is not disputing the MSP benefits, the undersigned Administrative Law Judge (ALJ) will dismiss Petitioner's MSP hearing request. Nonetheless, the AHR is disputing the denial of Petitioner's MA application dated [REDACTED], which the undersigned will address below:

#### **MA application**

In the present case, Petitioner is [REDACTED] years old; she is disabled; and she receives \$ [REDACTED] in monthly RSDI benefits. [Exhibit A, pp. 5-6.] On [REDACTED], the AHR submitted an online MA application on behalf of Petitioner, retroactive for [REDACTED], [REDACTED], and [REDACTED]. [Exhibit B, pp. 1-8.] In the application, Petitioner reported that she was disabled. [Exhibit B, p. 4.] On [REDACTED], the Department sent Petitioner a determination notice notifying her that she was not eligible for MA

benefits effective [REDACTED], because she was not blind, disabled, pregnant, parent/caretaker relative of a dependent child or meet age requirements and other denials reasons. [Exhibit B, pp. 9-12.] The undersigned reviewed the determination notice and determined the denial reason was improper. Specifically, the determination notice stated that Petitioner was not eligible for MA benefits because she was not disabled. [Exhibit B, pp. 9-12.] However, this is incorrect because Petitioner is disabled. [Exhibit A, p. 5.] In fact, Petitioner informed the Department that she was disabled in her application dated [REDACTED]. [Exhibit B, p. 4.]

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. Medicaid is also known as Medical Assistance (MA). BEM 105 (October 2016), p. 1. The Medicaid program comprise several sub-programs or categories. BEM 105, p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. BEM 105, p. 1.

Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. 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 nonmedical needs such as food and shelter. BEM 105, p. 1. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. BEM 105, p. 1.

For Group 2, eligibility is possible even when net income exceeds the income limit. BEM 105, p. 1. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. BEM 105, p. 1. Group 2 categories are considered a limited benefit because a deductible is possible. BEM 105, p. 1.

Based on the foregoing information and evidence, the undersigned finds that the Department did not act in accordance with Department policy when it improperly denied Petitioner's MA application dated [REDACTED], retroactive to [REDACTED], [REDACTED], and [REDACTED]. In this case, Petitioner is disabled; yet, the determination notice stated she was not eligible for MA benefits because she is not disabled. This is an improper denial reason by the Department because Petitioner is disabled. Moreover, this shows to the undersigned that the application was not processed correctly because there are MA categories that she might be eligible for based on her disability. For example, BEM 166 states that MA - Group 2 Aged, Blind and Disabled (G2S) is coverage available to a person who is aged (65 or older), blind or disabled. BEM 166 (July 2013), p. 1. Because Petitioner is disabled, she might be eligible for G2S coverage. However, because the Department indicated she was not disabled in determination notice, this shows to the undersigned that the Department did not properly determine her eligibility for MA coverage, such as G2S.

Accordingly, because the Department improperly denied Petitioner's MA application dated [REDACTED], the Department is ordered to re-register and reprocess her application and determine her eligibility for MA benefits, including the retroactive months. See BEM 105, pp. 1-7 and see BAM 115 (January 2017), p. 23 (application processing for eligibility decisions).

### **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 improperly denied Petitioner's MA application dated [REDACTED].


Accordingly, the Department's MA 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 re-registration and reprocessing of Petitioner's MA application dated [REDACTED] [REDACTED] [REDACTED], retroactive for [REDACTED] [REDACTED], [REDACTED], and [REDACTED];
2. Issue supplements to Petitioner for any MA benefits she was eligible to receive but did not in accordance with Department policy; and
3. Notify Petitioner/AHR of its decision.

**IT IS ALSO ORDERED** that Petitioner's **MSP** hearing request is **DISMISSED**.

EJF/jaf

  
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**Eric J. Feldman**  
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]  
[REDACTED]  
[REDACTED]

**Authorized Hearing Rep.**

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]