



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: October 23, 2018  
MAHS Docket No.: 18-008995  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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. After due notice, a telephone hearing was held on October 3, 2018, from Lansing, Michigan. Petitioner represented herself and [REDACTED] [REDACTED] testified on her behalf. The Department of Health and Human Services was represented by Brad Reno.

**ISSUE**

Did the Department of Health and Human Services (Department) properly close Petitioner's Medicare Savings Program (MSP) benefits?

**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 May 31, 2018, the Department received Petitioner's Health Care Coverage Supplemental Questionnaire (DHS-1004). Exhibit A, pp 8-11.
2. On June 4, 2018, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her income by June 14, 2018. Exhibit A, pp 12-13.
3. On June 6, 2018, the Department received Petitioner's Schedule C from her 2017 federal income tax return showing gross annual income of \$ [REDACTED] Exhibit A, p 14.
4. Petitioner reported to the Department on May 31, 2018, that she is employed and received a gross weekly income of \$ [REDACTED] Exhibit A, p 9.

5. On August 20, 2018, the Department notified Petitioner that she is not eligible for the Medicare Savings Program (MSP) effective May 1, 2018. Exhibit A, pp 6-7.
6. On August 27, 2018, the Department received Petitioner's request for a hearing protesting the closure of her Medical Assistance (MA) benefits. Exhibit A, p 5.

### **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.

There are three categories of Medicare Savings Program (MSP) benefits including the Qualified Medicare Beneficiary (QMB), the Special Low Income Medicare Beneficiary (SLMB), and the Additional Low Income Medicare Beneficiary (ALMB). QMB pays Medicare premiums, and Medicare coinsurances, and Medicare deductibles. QMB coverage begins the calendar month after the processing month. SLMB pays Medicare Part B premiums. SLMB coverage is available for retro MA months and later months. ALMB pays Medicare Part B premiums provided funding is available. The Department of Community Health notifies the Department of Human Services if funding is available. ALMB coverage is available for retro MA months and later months. Department of Human Services Bridges Eligibility Manual (BEM) 165 (January 1, 2018), pp 2-4.

On May 31, 2018, the Department received Petitioner's Health Care Coverage Supplemental Questionnaire (DHS-1004). On June 6, 2018, the Department received Petitioner's Schedule C from her 2017 federal income tax return showing gross annual income of \$[REDACTED]. The Department's representative testified that Petitioner received Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$[REDACTED].

Petitioner had received notice that MA benefits would close for failure to provide verification of assets, but Petitioner remains eligible for MA benefits with a monthly deductible. Petitioner's Medicare Savings Program (MSP) benefits have closed based on her prospective income.

The gross monthly income limit to receive MSP benefits under any category is \$[REDACTED]. Department of Health and Human Services Reference Table Manual (RFT)

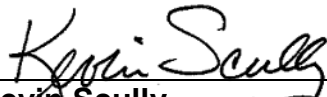
242 (April 1, 2018), pp 1-3. The Department presented sufficient evidence on the record to support a finding that Petitioner's gross monthly income exceeds the income limit.

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 acted in accordance with Department policy when it closed Petitioner's Medicare Savings Program (MSP) benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.

KS/hb

  
\_\_\_\_\_  
**Kevin Scully**  
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) 763-0155; 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**

Lindsay Miller  
125 E. Union St 7th Floor  
Flint, MI 48502

Genesee County (Union), DHHS

BSC2 via electronic mail

D. Smith via electronic mail

EQADHShearings via electronic mail

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]