



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: October 6, 2017  
MAHS Docket No.: 17-009469  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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 September 20, 2017 from Detroit, Michigan. The Petitioner appeared for the hearing with her daughter, [REDACTED] and represented herself. The Department of Health and Human Services (Department) was represented by Kathleen Scorpio-Butina, Hearing Facilitator.

### **ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) case and determine that she was ineligible for Medicare Savings Program (MSP) benefits because her income exceeded the limit?

### **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 was an ongoing recipient of MA benefits under the Group 2 Aged Blind Disabled (G2S) category with a monthly deductible. (Exhibit B)
2. Petitioner has confirmed gross monthly Retirement Survivors Disability Insurance (RSDI) benefits in the amount of \$1,658. Petitioner is responsible for her own \$121.80 Medicare Part-B premium, which is withheld from her monthly RSDI benefits.
3. On July 1, 2017 the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising her that effective August 1, 2017 her MA

case would be closed on the basis that her deductible has not been met in at least one of the last three months. The Notice further advised Petitioner that effective August 1, 2017 she was ineligible for MA (under the MSP) because her income exceeds the limit for the program. (Exhibit A; Exhibit 1)

4. On July 11, 2017, Petitioner requested a hearing disputing the Department's actions with respect to her MA benefits. Petitioner attached a copy of the July 1, 2017 Notice with her request for hearing.

### **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.

MSP are SSI-related MA categories. There are three MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low Income Beneficiaries (ALMB). BEM 165 (October 2016), p. 1. QMB is a full coverage MSP that pays: Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them); Medicare coinsurances; and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2. Income eligibility for MSP benefits exists when net income is within the limits in RFT 242 or 247. The Department is to determine countable income according to the SSI-related MA policies in BEM 500 and 530, except as otherwise explained in BEM 165. RFT 242, pp1-2; BEM 165, pp. 7-8.

The Department testified that based on Petitioner's income from monthly RSDI benefits of \$1658, she was not eligible for MSP benefits under any of the three categories. Effective April 1, 2017, for QMB, the monthly income limit for a group size of one is \$1005, which is which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. For SLMB the monthly income limit for Petitioner's group size of one is \$1206, which is 120 percent of the Federal Poverty Level, plus the \$20 disregard. For ALMB, the monthly income limit for Petitioner's group size of one is \$1356.75, which is 135 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242 (April 2017), pp. 1-2.

Although the Department did not present a complete SSI Related MA Income Results budget showing how it determined Petitioner had excess income for the MSP, the Department testified that it considered Petitioner's gross unearned income from RSDI in the amount of \$1658, which Petitioner confirmed was correct. Additionally, the Department properly subtracted the \$20 unearned income general exclusion and considered Petitioner's responsibility for Medicare Part B premiums in the amount of \$121.80. There was no evidence presented that Petitioner was eligible for any additional deductions to net income. BEM 503 (January 2017), pp. 29-30; BEM 530 (January 2014), pp. 1-2; BEM 541 (January 2017), p 3.

Based on the information relied upon by the Department, Petitioner has monthly countable income in the amount of \$1516.20 which is in excess of the applicable income limits for eligibility for MSP benefits under all three categories. As such, the Department acted in accordance with Department policy when it determined that Petitioner was ineligible for MSP benefits.

With respect to the closure of Petitioner's MA case under the G2S category effective August 1, 2017, the Department testified that because Petitioner did not submit sufficient medical expenses to show that she met her deductible in at least one of the last three months, it sent her a Health Care Coverage Determination Notice dated July 1, 2017, advising of the case closure.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (January 2017), p. 10. To meet a deductible, a client must report and verify allowable medical expenses that equal or exceed the deductible amount for the calendar month being tested by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 8-11. At redetermination or renewal, if a group has not met its deductible in at least one of the three calendar months before that month **and** none of the members are QMB, SLMB or ALMB eligible, the Department will close the MA case. BEM 545, p.12.

At the hearing, Petitioner testified that she has submitted medical expenses to her case worker but confirmed that no expenses were submitted within the three months prior to August 2017. A review of the documents presented suggests that Petitioner's MA case was due for a review in the month of July 2017. Thus, because Petitioner's MA case was due for review and because she is not eligible for the QMB, SLMB, or AMLB programs, the Department properly closed her MA case on the basis that she has not met her deductible in at least one of the three calendar months.

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 MA case.

Petitioner is advised that she is entitled to submit a new application for MA benefits to have her eligibility determined.

**DECISION AND ORDER**

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



ZB/tlf

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**Zainab A. Baydoun**  
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

**Via Email:**

MDHHS-Macomb-20-Hearings  
MAHS  
EQAD  
M. Best  
BSC4-Hearing Decision

**Petitioner – Via First-Class Mail:**

