



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

ORLENE HAWKS
DIRECTOR

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

Date Mailed: March 11, 2019
MAHS Docket No.: 19-000512
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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 March 7, 2019, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Candice Benns, Hearing Facilitator, and Wendy Price, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) and Medicare Savings Program (MSP) eligibility?

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], 2018, Petitioner submitted an application for MA and MSP benefits.
2. On October 11, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing her that her application for MA and MSP benefits was denied.
3. On December 6, 2018, a hearing was conducted with the Michigan Administrative Hearing System (MAHS) regarding the October 11, 2018, application denial.

4. On December 21, 2018, MAHS issued a decision reversing the October 11, 2018, denial and ordered the Department to reprocess the August 27, 2018, application (case number 18-010904).
5. Petitioner had unearned income in the form of Retirement, Survivors, and Disability Insurance (RSDI) in the monthly gross amount of \$ [REDACTED] at the time of application (Exhibit B).
6. On January 2, 2019, the Department sent Petitioner a HCCDN notifying her that her application for MSP benefits was denied (Exhibit A).
7. On January 7, 2018, the Department sent Petitioner a HCCDN notifying Petitioner that she was approved for MA benefits subject to a monthly deductible effective August 1, 2018 (Exhibit D).
8. On January 10, 2019, Petitioner submitted a request for hearing disputing the Department's actions. Petitioner also submitted medical expenses (Exhibit E).

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.

MA

In this case, Petitioner submitted a request for hearing disputing the Department's determination of her MA eligibility. Specifically, Petitioner argued that she met her MA deductible in September 2018.

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 (April 2018), p. 10. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount of the calendar month tested. BEM 545, p. 11. Each calendar month is a separate deductible period. BEM 545, p. 11. Once an individual meets their deductible, the group will no longer have any liability.

BEM 545, p. 5. Meaning, once the deductible is met, the individual will have full-coverage MA.

According to the HCCDN issued on January 7, 2019, Petitioner did not meet her deductible for the month of September 2018, nor any of the months subsequent. The Department testified that Petitioner did submit medical expenses on August 27, 2018, with her MA application. The Department testified that Petitioner did not submit any additional medical expenses until the date of her hearing request on January 10, 2019.

Petitioner testified that she did not submit medical expenses until January 10, 2019, because she did not have MA coverage until January 2019. Petitioner's [REDACTED] 2018 MA application was initially denied. The decision from MAHS issued December 21, 2018, ordered the Department to reprocess the application. Upon reprocessing, Petitioner's application was approved; and she was found eligible for MA subject to monthly deductible. The HCCDN approving Petitioner's MA benefits was not issued until January 7, 2019. Petitioner stated she then submitted verification of her medical bills for September 2018.

Petitioner submitted her hearing request arguing that she met her deductible in September 2018. Petitioner submitted her medical expenses for September 2018 on the date of the hearing request. The Undersigned only has jurisdiction to address the Department's actions/inaction as of the date of the hearing request. As Petitioner hadn't yet submitted any medical expenses for September 2018 as of the date of the hearing request, the Department acted in accordance policy when it determined Petitioner did not meet her deductible for September 2018. As such, the Department properly determined Petitioner's MA eligibility.

At the hearing, the Department was unclear as to whether Petitioner's medical expenses that were submitted on January 10, 2019 had been processed. If Petitioner believes the Department had continued to fail to process the medical expenses submitted on January 10, 2019, she may submit a new hearing request.

MSP

In this case, Petitioner submitted an application for MSP benefits on [REDACTED] 2018. On January 2, 2019, the Department sent Petitioner a HCCDN informing Petitioner that she was not eligible for MSP benefits. The Department testified that Petitioner exceeded the income limit under the MSP program.

MSP are Supplemental Security Income (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 (January 2018), 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.

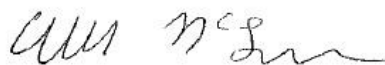
The Department testified that based on Petitioner's household income, she was not eligible for MSP benefits under any of the three categories. Effective April 1, 2018, for QMB, the monthly income limit for a group size of one is \$1,031.67, which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 1. For SLMB the monthly income limit for Petitioner's group size of one is \$1,234, which is 120 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 2. For ALMB, the monthly income limit for Petitioner's group size of one is \$1,385.75, which is 135 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, pp. 1-3. RFT 242, p. 3.

When determining income eligibility for MSP, income is reduced by the SSI-related deductions contained in BEM 541. BEM 165, p. 8. Income deductions include: (i) court-ordered child support; (ii) blind and impairment-related work expenses; (iii) allocation to non-SSI-related children; (iii) the \$20 disregard for unearned income; (iv) the 65 + ½ disregard on earned income; (v) guardianship/conservator expenses; and (vi) certain allowable work expenses. BEM 541. Petitioner did not allege that any of the above deductions applied, with the exception of the \$20 disregard for unearned income.

The Department testified that at the time of application, Petitioner received \$1,397 in RSDI benefits. Petitioner confirmed that figure was accurate. Therefore, Petitioner exceeds the income limit for all MSP categories. Thus, the Department acted in accordance with policy when it denied Petitioner's MSP benefit application.

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 acted in accordance with Department policy when it determined Petitioner's MA and MSP eligibility. Accordingly, the Department's decision is **AFFIRMED**.



EM/jaf

Ellen McLemore

Administrative Law Judge

for Robert Gordon, 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

Deborah Little
MDHHS-Wayne-49-Hearings

Petitioner

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