



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

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

Date Mailed: June 27, 2023
MOAHR Docket No.: 23-002805
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on June 20, 2023 via teleconference. Petitioner appeared and represented herself. Pamela Carswell, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) coverage with a deductible?

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 coverage.
2. On May 15, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Petitioner's MA coverage was terminated, effective June 1, 2023 because Petitioner requested that the coverage be stopped (Exhibit A, p. 8).
3. On May 22, 2023, Petitioner requested a hearing, disputing the processing of her MA coverage (Exhibit A, pp. 3-7).
4. On May 26, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice, which indicated that Petitioner was eligible for MA coverage with a \$1,222.00 monthly deductible.

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 Medicaid (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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2021), p. 1.

In this case, Petitioner requested a hearing to dispute MDHHS' determination that she was eligible for MA with a \$1,222.00 monthly deductible. Petitioner was previously receiving full-coverage MA with no deductible. She requested that her coverage be terminated in error. After terminating her coverage, MDHHS reprocessed Petitioner's eligibility for MA upon Petitioner's request and determined that she was eligible for MA with a deductible due to an increase in her income. At the hearing, Petitioner disputed MDHHS' determination and argued that she should be eligible for full-coverage MA.

MA is comprised of several sub-programs or categories. To receive MA under an 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, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* Under federal law, Petitioner is entitled to the best available MA coverage she is eligible to receive based on her income and other eligibility criteria. BEM 105, p. 2.

The terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. *Id.*, p. 1. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. *Id.* For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. *Id.* Group 2 categories are considered a limited benefit because a deductible is possible. *Id.*

The record reflects that Petitioner receives Retirement, Survivors, Disability Insurance (RSDI) and pays a Part B Medicare premium. Because Petitioner was a Medicare recipient and there was no evidence that she was the parent or caretaker of a minor

child, she was only eligible for MA under an SSI-related category. In determining the SSI-related MA category Petitioner is eligible for, MDHHS must determine Petitioner's MA fiscal group size, net income and assets. MDHHS testified that Petitioner was over the income limit for Group 1 SSI-related MA based on her receipt of \$1,799.00 per month in RSDI, and thus, Petitioner was eligible for Group 2 SSI-related MA with a \$1,222.00 deductible. However, MDHHS did not introduce a budget at the hearing or adequately explain how it calculated her income or the deductible amount for Group 2 SSI-related MA.

Accordingly, 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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined that Petitioner was eligible for MA with a deductible.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**.

MDHHS 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. Redetermine Petitioner's eligibility for MA from June 1, 2023 ongoing, requesting additional information from Petitioner, if necessary;
2. Provide Petitioner with the most beneficial MA coverage for each month that she is eligible, from June 1, 2023 ongoing;
3. Notify Petitioner of its decision in writing.



Linda Jordan
Administrative Law Judge

LJ/tm

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via-Electronic Mail :

DHHS
Richard Latimore
Wayne-Conner-DHHS
4733 Conner
Detroit, MI 48215
**MDHHS-Wayne-57-
Hearings@michigan.gov**

Interested Parties

M. Schaefer
EQADHearings
BSC4

Via-First Class Mail :

Petitioner

██████████
████████████████████
██████ MI ██████