



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
ACTING DIRECTOR

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

Date Mailed: October 4, 2023
MOAHR Docket No.: 23-004271
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 September 6, 2023, via teleconference. [REDACTED] [REDACTED] appeared on behalf of Petitioner as Petitioner's Authorized Hearing Representative (AHR) (Exhibit 1, pp. 1-2). Stephanie Avery, Assistance Payments Worker, and Corlette Brown, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly determine that Petitioner was eligible 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 benefits with a deductible of \$1,142.00.
2. Petitioner met the deductible from February 2021 to May 2023 (Exhibit A, p. 1). MDHHS determined that Petitioner did not meet her deductible for the months of June and July 2023, because no proof of medical expenses had been provided by Petitioner to MDHHS (Exhibit A, p. 1).

3. On July 20, 2023, Petitioner submitted a Request for Hearing to MDHHS to dispute MDHHS' determination regarding her MA coverage (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).

Medicaid (MA) 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, MDHHS determined that Petitioner was eligible for MA under the Group 2 Aged, Blind and Disabled (G2S) category with a deductible of \$1,142.00. MDHHS further determined that although she had previously met the deductible amount during the COVID-19 Public Health Emergency (PHE), no recent proof of medical expenses had been provided, and thus, she did not meet the deductible for June 2023 ongoing.

The MA program includes 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. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MiChild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* The terms Group 1 and Group 2 relate to financial eligibility factors. *Id.* 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.* The income limit, which varies by category, is for nonmedical needs such as food and shelter. *Id.* 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. *Id.* 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.* Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

Petitioner was eligible for SSI-related MA based on her disability and receipt of Medicare. AHR disputed MDHHS' calculation of Petitioner's deductible amount. The

record shows that Petitioner received monthly Retirement, Survivors, and Disability Insurance (RSDI) payments in the amount of \$1,537.00 beginning February 1, 2023 (Exhibit A, p. 6). Petitioner did not dispute this amount. MDHHS determined that Petitioner's net income from MA was \$1,517.00 based on her receipt of RSDI in the gross amount of \$1,537.00, less applicable deductions, including the \$20 disregard (Exhibit A, p. 5). BEM 541 (January 2023), p. 3.

Based on Petitioner's circumstances, she was potentially eligible for Ad-Care MA. The Ad-Care program is a group 1, full-coverage SSI-related MA program for disabled individuals who are income-eligible based on their MA fiscal group size. BEM 163 (July 2017), p. 1. However, net income for this program cannot exceed 100% of the Federal Poverty Level (FPL). *Id.* To be income eligible for this program, Petitioner's income would have had to be \$1,235.00 or less for a fiscal group-size of one. RFT 242 (April 2023), p. 1. Petitioner's income exceeded this amount and therefore, she was not eligible for Ad-Care MA.

MDHHS alleged that Petitioner was eligible for G2S MA, which is an SSI-related Group 2 MA category. BEM 166 (April 2017), p. 1. MDHHS considers eligibility under this category only when eligibility does not exist under BEM 155 through 164, 170 or 171. *Id.* Income eligibility exists for G2S MA when net income does not exceed the Group 2 needs in BEM 544. *Id.*, p. 2. If the net income exceeds Group 2 needs, MA eligibility is still possible with a deductible, per BEM 545. *Id.* The deductible is equal to the amount the individual's net income, calculated in accordance with the applicable Group 2 MA policy, minus the applicable Group 2 MA protected income level (PIL). The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses that is based on the county in which the client resides and the client's fiscal MA group size. BEM 544 (January 2020), p. 1. The PIL for Wayne County, where Petitioner resides, for a one-person MA group, is \$375.00. RFT 200 (April 2017), p. 2; RFT 240 (December 2013), p. 1.

In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, no evidence was presented that Petitioner resided in an adult foster care home or home for the aged. Therefore, she was not eligible for any remedial service allowances. MDHHS also presented evidence to show that Petitioner receives Additional Low-Income Medicare Beneficiaries (ALMB) coverage, which pays for her Medicare Part B premium. BEM 165 (October 2022), p. 1. Because Petitioner was not responsible for paying for her Medicare Part B premium, this expense is not deductible. When Petitioner's net income of \$1,517.00 is reduced by the PIL of \$375.00, it equals \$1,142.00. Therefore, MDHHS properly determined that Petitioner was approved for G2S MA with a \$1,142.00 deductible.

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 (July 2022), p. 10. Meeting a deductible means reporting and verifying allowable medical expenses

that equal or exceed the deductible amount for the calendar month tested. *Id.*, p. 11. MDHHS adds periods of MA coverage each time the group meets its deductible. *Id.*, p. 12.

MDHHS testified that Petitioner did not meet her deductible beginning in June 2023 because it did not receive proof that she incurred medical expenses. AHR did not present evidence at the hearing that Petitioner submitted medical expenses to MDHHS to count towards her deductible prior to the hearing request. Thus, MDHHS properly determined that Petitioner did not meet her deductible in June 2023 ongoing. Petitioner is advised to submit proof of medical expenses to MDHHS, according to BEM 545.

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 MDHHS acted in accordance with Department policy when it determined Petitioner's eligibility for MA.

DECISION AND ORDER

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



LJ/nr

Linda Jordan
Administrative Law Judge

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

Corlette Brown
Wayne-District 31 (Grandmont)
17455 Grand River
Detroit, MI 48227

**MDHHS-Wayne-31-Grandmont-
Hearings@Michigan.gov**

Interested Parties

Wayne 31 County DHHS
BSC4
D. Smith
EQAD
MOAHR

Via-First Class Mail :

Petitioner

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