STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
ACTING DIRECTOR

[redacted]
MI [redacted]

Date Mailed: November 28, 2023
MOAHR Docket No.: 23-006757
Agency No.: [redacted]
Petitioner: [redacted]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On October 10, 2023, Petitioner, [redacted] requested a hearing to dispute a Medical Assistance (MA) determination. As a result, a hearing was scheduled to be held on November 21, 2023, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; and Mich Admin Code, R 792.11002. Petitioner appeared at the hearing with his father, [redacted] Respondent, Department of Health and Human Services (Department), had Tamara Jackson, Hearing Facilitator, appear as its representative. Neither party had any additional witnesses.

One exhibit was admitted into evidence during the hearing. A 39-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUE

Did the Department properly determine Petitioner's MA 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. Petitioner is aged or disabled.

2. Petitioner is not married.

3. Petitioner received gross income of [redacted] per month from social security RSDI.

4. Petitioner had Medicare coverage, and Petitioner's premium was covered by Medicare Savings Program coverage.

5. On July 7, 2023, Petitioner completed a renewal form to renew his MA eligibility.

6. Prior to the renewal, Petitioner had full coverage MA through AD Care, and Petitioner had QMB Medicare Savings Program coverage.

7. During the renewal, the Department reviewed Petitioner's case and determined that Petitioner was no longer eligible for full coverage MA because Petitioner's income exceeded the income limit, and the Department determined that Petitioner was no longer eligible for QMB Medicare Savings Program coverage because Petitioner's income exceeded the limit. The Department determined that the best MA coverage that Petitioner was eligible for was G2S-MA with a $940.00 monthly deductible, SLMB Medicare Savings Program coverage, and Plan First limited coverage.

8. Petitioner requested a hearing to dispute the Department's MA eligibility determination.

9. Petitioner is receiving dialysis treatment, and Petitioner wants full coverage MA to cover his treatments.

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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Petitioner is disputing his health care coverage because he has a deductible, and he would like to have health care coverage without a deductible. Health care coverage is available without a deductible for those who meet program requirements. One of the programs that provides health care coverage without a deductible is the Healthy Michigan Plan. Petitioner does not meet the program requirements for the Healthy Michigan Plan because Petitioner has Medicare, and coverage through the Healthy Michigan Plan is limited to individuals who do not qualify for Medicare. BEM 137 (June 1, 2020), p.1.

Another program that provides health care coverage without a deductible is AD Care. In order for a client to be eligible for full coverage AD Care, the client must be aged or disabled, and the client's group's net income must not exceed 100% of the Federal

Poverty Limit (FPL). BEM 163 (July 1, 2017), p. 1-2. For AD Care, the client's group size consists of the client and the client's spouse. BEM 211 (October 1, 2023), p. 8. In this case, Petitioner's group consists of just Petitioner because Petitioner does not have a spouse. The FPL for a household size of one in 2023 is $14,580.00. 88 FR 3424 (January 19, 2023). This is equal to a monthly income of $1,215.00.

When group members receive income from social security RSDI, the gross amount received from RSDI is countable. BEM 163 at p. 2. However, $20.00 is disregarded from social security RSDI income. BEM 541 (January 1, 2023), p. 1. In this case, Petitioner received [redacted] per month from social security RSDI. After the $20.00 disregard, the countable amount was [redacted]0 per month. Petitioner did not receive any other income, so Petitioner's total countable income was [redacted] per month.

Although the income limit for AD Care states that it is based on "net income," this refers to gross income after allowable deductions. BEM 163 at p. 2. The allowable deductions are set forth in BEM 541 for adults, and Petitioner was not eligible for any of the allowable deductions other than the $20.00 disregard. Thus, Petitioner's net income exceeded the limit for Petitioner to be eligible for full coverage AD Care because the income limit was $1,215.00 per month, and Petitioner's income was [redacted] per month. Therefore, the Department properly found that Petitioner was not eligible for full coverage AD Care.

Since the Department found Petitioner ineligible for health care coverage without a deductible under the Healthy Michigan Plan and AD Care, the Department determined that the best available coverage for Petitioner was Group 2 MA. Group 2 MA for aged or disabled clients is known as G2S-MA. Group 2 MA provides health care coverage for any month that (a) an individual's countable income does not exceed the individual's needs as defined in policy, or (b) an individual's allowable medical expenses equal or exceed the amount of the individual's income that exceeds the individual's needs. BEM 166 (April 1, 2017), p. 2.

To determine whether an individual's income exceeds his needs, the Department determines the individual's countable income and needs. Countable income is the same as the income that is used to determine eligibility for AD Care without a deductible. Needs consist of a protected income limit set by policy, the cost of health insurance premiums, and the cost of remedial services. BEM 544 (January 1, 2020), p. 1-3.

The Department calculated Petitioner's excess income by subtracting the protected income limit from Petitioner's countable monthly income. As stated above, Petitioner's countable monthly income was [redacted] The protected income limit for a household of one in Huron County was $341.00 per month. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). Petitioner did not pay a Medicare premium because Petitioner had Medicare Savings Program coverage that paid his premium, so Petitioner does not get a deduction for the premium. There was no evidence that Petitioner paid any other health insurance premiums or allowable remedial care expenses. Thus, Petitioner's

excess income was [redacted] minus $341.00, which equals [redacted] per month. The Department properly determined Petitioner's monthly deductible amount.

Since Petitioner has a deductible, Petitioner will only be eligible for health care coverage for any month that his allowable medical expenses equal or exceed his deductible amount. Petitioner did not present any evidence to establish that he had allowable medical expenses that equaled or exceeded his deductible amount. If Petitioner has outstanding medical expenses that equal or exceed his deductible amount, Petitioner should provide documentation of those expenses to the Department to obtain health care coverage.

Regarding the Medicare Savings Program coverage, the Department found that the best Medicare Savings Program coverage that Petitioner was eligible for was SLMB. There are three different types of Medicare Savings Program coverage: QMB, SLMB, and ALMB. BEM 165 (October 1, 2022), p. 1. QMB pays for Medicare premiums, Medicare coinsurances, and Medicare deductibles. *Id.* at p. 2. SLMB only pays Medicare Part B premiums. *Id.* ALMB only pays Medicare Part B premiums if there is sufficient funding available. *Id.* Thus, QMB is the best coverage, SLMB is the next best coverage, and ALMB is the lowest level of coverage.

The type of Medicare Saving Program coverage a client is eligible for is determined based on income. The income limit for QMB is the same as for full coverage AD Care. *Id.* at p. 1. The income limit for SLMB is 120% of the FPL. *Id.* As discussed above, Petitioner is over the income limit for full coverage AD Care. Since the income limit for full coverage AD Care is the same income limit for QMB, Petitioner is also over the income limit for QMB. However, Petitioner is within the income limit for SLMB. The income limit for SLMB is 120% of the FPL, which equals $1,458.00 per month, and Petitioner's income was less than the income limit for SLMB because Petitioner's income was [redacted] per month. Thus, the Department properly determined that Petitioner was eligible for SLMB Medicare Savings Program coverage.

Lastly, the Department found Petitioner eligible for limited coverage through Plan First. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited coverage through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's income was less than the income limit, so the Department properly found Petitioner eligible for limited coverage through Plan First.

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 did act in accordance with its policies and the applicable law when it determined Petitioner's Medical Assistance eligibility.

IT IS ORDERED the Department's decision is **AFFIRMED**.

JK/ml

Jeffrey Kemm
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
Melissa Erdman
Huron County DHHS
1911 Sand Beach Road
Bad Axe, MI 48413
MDHHS-Huron-Hearing@michigan.gov

Interested Parties
BSC2
M Schaefer
EQAD
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Via First Class Mail:

Petitioner
[redacted]
[redacted], MI [redacted]