



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
ACTING DIRECTOR

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Date Mailed: February 5, 2024
MOAHR Docket No.: 23-007481
Agency No.: 0
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 January 4, 2024, from Lansing, Michigan. The Petitioner was represented by Karen Bone, mother and Authorized Hearing Representative (AHR). Ryan Bone, Petitioner, was present. The Department of Health and Human Services (Department) was represented by Rachel Meade, Hearing Coordinator.

During the hearing proceeding, the Department’s Hearing Summary packet was admitted as Exhibit A, pp. 1-66.

ISSUE

Did the Department properly determine Petitioner’s eligibility for Medical Assistance (MA) benefits?

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 August ██████ 2023, the Department received Petitioner’s Redetermination for MA and Medicare Savings Program (MSP) benefits. Petitioner reported income from RSDI benefits (\$██████████ monthly) and employment with ██████████ (\$██████████ every two weeks). (Exhibit A, pp. 8-14)
2. On August ██████ 2023, a Verification Checklist was issued to Petitioner requesting verification of income tax refund, assets, and wages with a due date of September 11, 2023. (Exhibit A, pp. 15-16)

3. On August █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating the MSP was denied effective October 1, 2023. (Exhibit A, pp. 17-19)
4. On September █ 2023, the Department received Petitioner's pay statement verifications. (Exhibit A, pp. 20-22)
5. On September █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating Freedom to Work Medicaid (MA-FTW) was approved with an estimated premium amount of \$█ and the MSP was denied. (Exhibit A, pp. 23-26)
6. On October █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating MA-FTW was approved with an estimated premium amount of \$█ (Exhibit A, pp. 27-29)
7. On October █ 2023, the Department received Petitioner's 2022 W2 and numerous pay statements. (Exhibit A, pp. 30-51)
8. On October █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating MA-FTW was approved with an estimated premium amount of \$█ (Exhibit A, pp. 52-54)
9. On October 30, 2023, Petitioner filed a hearing request contesting the Department's determinations. (Exhibit A, pp. 4-7)
10. On November 2, 2023, the Department spoke with Petitioner and completed a collateral contact with the Social Security Administration (SSA) to confirm Petitioner's income from RSDI benefits. As of November 1, 2023, Petitioner receives gross benefits of \$█ is paying Medicare Part B premium of \$█ and has a \$█ penalty until May 2024. (Exhibit A, p. 55)
11. On November █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating MA-FTW was approved with an estimated premium amount of \$█ (Exhibit A, pp. 58-60)
12. On November 2, 2023, the Department received Petitioner's SSA statement of income. (Exhibit A, p. 61)
13. On November 2, 2023, the Department determined that Petitioner would be approved for the MSP under the SLMB category. (Exhibit A, p. 3)
14. On November 6, 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating the MSP was approved under the SLMB category as of November 1, 2023. (Exhibit A, pp. 63-65)

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-FTW is available to a client with disabilities age 16 through 64 who has earned income. BEM 174, January 1, 2020, p. 1.

Income Eligibility

Initial and Ongoing Eligibility

Initial income eligibility exists when the client's countable income does not exceed 250 percent of the Federal Poverty Level (FPL). Ongoing eligibility exists when the client's unearned income does not exceed 250 percent of the FPL.

Determine countable earned and unearned income according to SSI-related MA policies in BEM 500, 501, 502, 503, 504, and 530. Determine income deductions using BEM 540 (for children) or 541 (for adults). Unemployment compensation benefits are not countable income for FTW.

PREMIUM PAYMENT

There are no premiums for individuals with MAGI (Modified Adjusted Gross Income) income less than 138 percent of the federal poverty level (FPL).

- A premium of 2.5 percent of their income will be charged for an individual with MAGI income between 138 percent of the FPL and \$75,000 annually.
- A premium of 100 percent of the average FTW participant cost will be assessed for an enrolled individual with MAGI income over \$75,000. Bridges will automatically notify the premium coordinator when premiums for a FTW participant start/change/end. The premium coordinator has final

determination over actual premium begin or amount change dates, as well as premium exclusions.

Nonpayment of premium is automatically sent to Bridges and mass update will close the Freedom to Work category.

BEM 174, January 1, 2020, p. 1.

MEDICARE SAVINGS PROGRAM (MSP)

MSP and FTW have different group composition, income and asset limits. A separate determination must be done when there is a spouse.

Reminder: A client eligible for MA under FTW is not eligible for ALMB.

BEM 174, January 1, 2020, p. 4.

There are three categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low-Income Medicare Beneficiaries (ALMB). Income is the major determiner of category. For QMB net income cannot exceed 100% of poverty. For SLMB net income is over 100% of poverty, but not over 120% of poverty. For ALMB net income is over 120% of poverty, but not over 135% of poverty. BEM 165, October 1, 2022, p. 1.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) and the MSP categories. Effective April 1, 2023, for a group size of one the income limit for MA-AD and QMB is \$1,235.00, and for SLMB the income limit is \$1,235.01 to \$1,478.00. It is noted that the income limits for MA-AD and QMB are 100 percent of the FPL. RFT 242, April 1, 2023, p. 1.

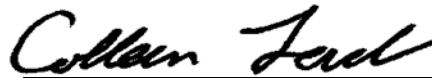
In this case, the Department redetermined Petitioner's eligibility for MA and MSP benefits when Petitioner submitted the Redetermination and each time subsequent income verifications were provided. (Exhibit A, pp. 8-65).

Petitioner noted that he was previously on full coverage MA and questioned why he now has to pay in for the MA-FTW. Petitioner also noted that his hours at work fluctuate. (Petitioner Testimony). Based on the November ■ 2023 contact with SSA regarding Petitioner's income from RSDI, the gross monthly benefit amount is \$■■■■■ he is paying Medicare Part B premium of \$■■■■■ and has a \$■■■■■ penalty until May 2024. (Exhibit A, p. 55). Accordingly, the Department counted \$■■■■■ of the RSDI income. (Exhibit A, p. 3). The pay stubs show Petitioner's income from employment in October was \$■■■■■ (Hearing Coordinator Testimony). Therefore, Petitioner's total income exceeded the income limit for MA-AD and QMB of \$■■■■■ The Department determined that Petitioner was eligible for MA-FTW. Pursuant to the BEM 174 policy, there are premiums for individuals with MAGI income at or above 138 percent of the FPL. Accordingly, the Department properly estimated a premium amount for Petitioner.

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 eligibility for MA benefits.

DECISION AND ORDER

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



Colleen Lack
Administrative Law Judge

CL/dm

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
Heather Dennis
Jackson County DHHS
MDHHS-Jackson-
Hearings@michigan.gov

SchaferM

EQADhearings

BSC4HearingDecisions

MOAHR

Via-First Class Mail :

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED]

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
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Petitioner

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