



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 15, 2024
MOAHR Docket No.: 23-009934
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 February 15, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Andrea Stevenson, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's hearing summary packet was admitted as Exhibit A, pp. 1-35.

ISSUE

Did the Department properly determine Petitioner's eligibility for the Medicare Savings Program (MSP)?

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 receives Medicaid under the Freedom to Work (MA-FTW) category. (Exhibit A, pp. 4, and 29-30)
2. Petitioner was receiving MSP benefits under the Specified Low-Income Medicare Beneficiaries (SLMB) category. (Exhibit A, p. 12)
3. The Department verified Petitioner's income from Social Security Administration (SSA) issued RSDI benefits. (Exhibit A, pp. 13-15)

4. The Department verified Petitioner's income from employment with Goodwill. (Exhibit A, pp. 16-20)
5. On August █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating MSP benefits were denied effective September 1, 2023. The denial was based on income in excess of program limits. (Exhibit A, pp. 1 and 4-7)
6. On November █ 2023, Petitioner submitted a Redetermination. (Exhibit A, pp. 21-27)
7. On December █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating MSP benefits were approved under the Additional Low-Income Medicare Beneficiaries (ALMB) category from September 1, 2023 through November 30, 2023 and denied effective January 1, 2024. The denial was based on income in excess of program limits. (Exhibit A, pp. 1 and 8-11)
8. On December 19, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, p. 3)

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.

The Department counts the gross benefit amount of Social Security Administration (SSA) issued RSDI benefits as unearned income when determining eligibility. BEM 503, January 1, 2023, p. 29.

The Department counts gross wages from employment as income. BEM 501, July 1, 2022, p. 7.

The Medicaid program comprise 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, October 1, 2023, p. 1.

For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus ½ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2023, pp. 1-7.

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 the MSP categories, with the \$20.00 disregard included. Effective April 1, 2023, for a group size of one the income limit for QMB is \$1,235.00; for SLMB the income limit is \$1,235.01 to \$1,478.00; and for ALMB the income limit is \$1,478.01 to \$1,660.25. RFT 242, April 1, 2023, p. 1.

However, a client eligible for MA under FTW is not eligible for ALMB. BEM 174, January 1, 2020, p. 4.

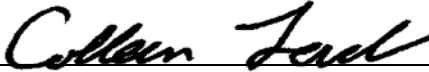
In this case, the paycheck stubs indicate regular gross earnings of around \$[REDACTED] every two weeks. (Exhibit A, pp. 16-20). Petitioner's gross monthly RSDI benefit amount was \$[REDACTED] effective August 1, 2023 and \$[REDACTED] effective December 1, 2023. (Exhibit A, p. 14). Accordingly, Petitioner exceeded the income limits for the QMB and SLMB categories of the MSP. Further, because Petitioner receives MA under the Freedom to Work (MA-FTW) category, he is not eligible for MSP under the ALMB category pursuant to the BEM 174 policy. Accordingly, the denial of ongoing MSP benefits is upheld.

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 the MSP.

DECISION AND ORDER

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

CL/dm



Colleen Lack
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
Andrea Stevenson - 17
Chippewa County DHHS
MDHHS-
906EUPHearings@michigan.gov

SchaferM

EQADHearings

BSC1HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner
[REDACTED]
[REDACTED]
[REDACTED]