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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
DIRECTOR



Date Mailed: March 15, 2024
MOAHR Docket No.: 24-000082
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 March 6, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Kimberly Owens, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine that Petitioner was ineligible for Medicare Savings Program (MSP) 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. Petitioner was an ongoing recipient of Medical Assistance (MA) benefits. In connection with a redetermination, Petitioner's eligibility to receive MA benefits was reviewed.
2. Petitioner confirmed that her household size is one and that she received gross monthly Retirement Survivors Disability Insurance (RSDI or Social Security) benefits in the amount of [REDACTED] through December 2023, with an increase of RSDI to [REDACTED] effective January 2024.
3. On or around December 19, 2023, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising her that effective December 1,

2023, she was not eligible for MSP benefits because her income exceeded the limit for the program. The Notice advised Petitioner that she continued to be eligible for MA, subject to a monthly deductible of \$903 effective February 1, 2024. (Exhibit A, pp. 8-14)

4. On or around January 4, 2024, Petitioner requested a hearing disputing the Department's actions with respect to the MSP case.

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.

In this case, Petitioner confirmed that at issue, was the Department's closure/denial of MSP benefits.

MSP are SSI-related MA categories. There are three MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low-Income Beneficiaries (ALMB). BEM 165 (October 2022), p. 1. QMB is a full coverage MSP that pays Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them), Medicare coinsurances, and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2.

Income is the major determiner of category. The monthly income limits for Petitioner's fiscal group size of one are identified in RFT 242 (April 2023). For QMB eligibility, net income cannot exceed \$1,235, which is 100% of the poverty level, plus the \$20 disregard for RSDI income. For SLMB eligibility, net income is between \$1,235.01 and \$1,478, which is over 100% but not over 120% of the poverty level, plus the \$20 disregard for RSDI income. For ALMB eligibility, net income must be between \$1,478.01 and \$1,660.25, which is over 120% but not over 135% of the poverty level, plus the \$20 disregard for RSDI income. RFT 242, p.1; BEM 165, pp. 1-2, 8-10. The Department is to determine countable income according to the SSI-related MA policies in BEM 500, 501, 502, 503, 504, and 530, except as otherwise explained in BEM 165. RFT 242, pp1-2; BEM 165, pp. 8-10. The Department will also apply the deductions in BEM 540 (for

children) and BEM 541 (for adults) to countable income to determine net income. BEM 165, pp. 8-10.


At the hearing, the Department representative testified that based on Petitioner's net income she was determined eligible for MSP benefits under all MSP categories. The Department presented an SSI Related Medicaid (Adults) Income Budget for the ALMB category, as that program has the highest income limit. (Exhibit A, p. 15). Petitioner confirmed that she received gross monthly RSDI or Social Security benefits in the amount of [REDACTED] through December 2023, with an increase of RSDI to [REDACTED] effective January 2024. There was no evidence that Petitioner was eligible for any additional deductions to income such as guardianship/conservator expenses for the month of December 2023, which is the month being tested. When the \$20 unearned income general exclusion is applied, Petitioner's net income is [REDACTED] for the month of December 2023. While Petitioner asserted that her medical expenses have increased, as has the costs of other items due to inflation, Petitioner was advised that policy does not provide for a deduction on the MSP income eligibility budget for medical expenses or insurance premiums, as those deductions are considered when calculating the amount of a client's monthly MA deductible. Upon review, Petitioner's net income [REDACTED] is in excess of the [REDACTED] ALMB income limit for her one-person fiscal group size.

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 that Petitioner had excess income and was ineligible for MSP.

DECISION AND ORDER

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

ZB/ml



Zainab A. Baydoun
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
Richard Latimore
Wayne-Conner-DHHS
4733 Conner
Detroit, MI 48215
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Interested Parties
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Via First Class Mail:

Petitioner
[REDACTED]
MI