



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  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: April 3, 2024  
MOAHR Docket No.: 24-000245  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford**

### **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 4, 2023. The Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Avery Smith, Assistance Payments Supervisor.

### **ISSUE**

Did the Department properly determine that Petitioner was eligible for Medicaid (MA) coverage under the Group 2 SSI (G2S) program with a monthly deductible of \$3,924.00?

### **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.
2. Petitioner is married and disabled.
3. During the review period, Petitioner had unearned income from Retirement, Survivors, and Disability Insurance (RSDI) in the amount of [REDACTED] per month. Exhibit A, p. 6.

4. During the review period, Petitioner's husband has the following earned income from two employers:


**Employer #1**

<b>Pay Date</b>	<b>Gross Earnings</b>
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9/29/2023	
10/6/2023	
10/13/2023	
10/20/2023	

**Employer #2**

<b>Pay Date</b>	<b>Gross Earnings</b>
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9/28/2023	
10/5/2023	
10/12/2023	
10/19/2023	

5. On December 5, 2023, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner indicating that based on her household total countable annual income amount, she was approved for MA coverage with a monthly deductible of \$3,924.00. Exhibit A, pp. 16-21.
6. On January 8, 2024, the Department received Petitioner's request for hearing disputing the Department's actions regarding her MA coverage.

**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.

Upon reviewing Petitioner's eligibility criteria at redetermination, MDHHS concluded that Petitioner was eligible for MA coverage under the G2S program with a monthly deductible. Petitioner disputes this coverage.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2021), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105 (January 2021), p. 2; 42 CFR 435.404

Because Petitioner was a Medicare recipient and disabled, and there was no evidence that Petitioner was the parent or caretaker of a minor child, Petitioner was eligible for MA only under an SSI-related category. In determining the SSI-related MA category Petitioner is eligible for, MDHHS must determine Petitioner's MA fiscal group size and net income. As married individual, Petitioner has fiscal group size for SSI-related MA purposes of two. BEM 211 (July 2019), p. 8. The Petitioner's household net income for MA purposes is [REDACTED] (Petitioner's gross unearned income of [REDACTED] reduced by a \$20 disregard and cost-of-living adjustment exclusion amount of \$30.00) and [REDACTED] (Petitioner husband's earned income of [REDACTED] reduced by \$65.00 and 1/2 disregard) . BEM 541 (January 2023), p. 3.

Based on this net income, Petitioner has excess income for eligibility under the AD-Care program, the full-coverage SSI-related MA program. BEM 163 (July 2017), p. 2; RFT 242 (April 2023), p. 1; <https://aspe.hhs.gov/poverty-guidelines>. However, clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for SSI-related MA under a Group 2 SSI (G2S) program, which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible is in the amount that a client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL). The PIL is a set amount identified in policy based on the client's MA fiscal group size and county of residence. BEM 105, p. 1; BEM 166 (April 2017), pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 3.

The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of two living in [REDACTED] County, is \$541.00 per month. RFT 200, p. 3; RFT 240, p. 1. The Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible (Exhibit A, p. 25) that was reviewed on the record. 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, Petitioner does not reside in an adult foster care home or home for the aged and, as such, is not eligible for any remedial service allowances. The following health insurance premiums were paid by Petitioner: \$174.70 for Medicare Part B Premium. Petitioner's allowable needs deduction for health insurance and remedial services totaled \$174.70.

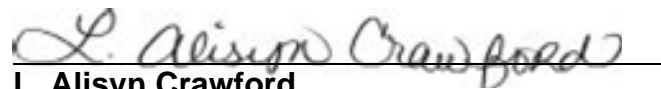
Petitioner's net income reduced by allowable needs deductions and by the PIL results in a deductible of \$3,915.00. Thus, MDHHS did properly determine Petitioner's eligibility for SSI-related MA with a monthly deductible.

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 was eligible for Medicaid (MA) coverage under the G2S program with a monthly deductible.

**DECISION AND ORDER**

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

LC/ml



**L. Alisyn Crawford**  
Administrative Law Judge  
for Elizabeth Hertel, Director  
Department of Health and Human Services

**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**  
Yaita Turner  
Oakland County Southfield District III  
25620 W. 8 Mile Rd  
Southfield, MI 48033  
**MDHHS-Oakland-6303-Hearings@michigan.gov**

**Interested Parties**

BSC4  
M Schaefer  
EQAD  
MOAHR

**Via First Class Mail:**

**Petitioner**  
[REDACTED]  
[REDACTED], MI [REDACTED]