



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: April 18, 2024
MOAHR Docket No.: 24-000805
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 March 19, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Rebecca Ferrill, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-17.

ISSUE

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

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 previously received MA under the Health Michigan Plan (MA-HMP) category. (Exhibit A, p. 2)
2. A redetermination of Petitioner's Medicaid eligibility was due in December 2023 following the end of the public health emergency. (Exhibit A, p. 2)
3. On November 3, 2023, Petitioner submitted a Redetermination form. (Exhibit A, pp. 9-15)

4. Petitioner became eligible for Medicare September 1, 2022. (Exhibit A, p. 2)
5. Petitioner has income from Social Security Administration (SSA) issued benefits of \$[REDACTED] monthly. (Exhibit A, p. 8)
6. The Department determined that Petitioner was no longer eligible for MA under the HMP category but was potentially eligible under the Aged Disabled (MA-AD CARE) category.
7. On January 3, 2024 a Health Care Coverage Determination Notice was issued to Petitioner stating she would have a monthly deductible of \$[REDACTED] for her MA coverage effective February 1, 2024. (Exhibit A, pp. 6-7)
8. On January [REDACTED] 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-8)
9. The Department redetermined Petitioner's eligibility when it was discovered that Petitioner did not return to work as previously anticipated resulting in a new deductible amount of \$[REDACTED] (Exhibit A pp. 2 and 17; APS Testimony)

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 Medicaid program comprise several sub-programs or categories. BEM 105, January 1, 2024, p. 1.

Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

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. Medicaid eligibility for

children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105, January 1, 2024, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1.

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 utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. Grand Traverse County is part of Shelter Area V, which has a PIL of \$391.00 for a group size of one. RFT 200, April 1, 2017, p. 3 and RFT 240, December 1, 2013, 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.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, July 1, 2022, p. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12.

RFT 242 addresses the income limit for aged or disabled MA (MA-AD). Effective April 1, 2023, for a group size of one the income limit for MA-AD is \$1,235.00. RFT 242, April 1, 2023, p. 1.

In this case, Petitioner was no longer eligible for MA-HMP because she was now eligible for Medicare. The Department initially determined that Petitioner was eligible for MA-AD CARE with a monthly deductible of \$[REDACTED] effective February 1, 2024. (Exhibit A, pp. 2 and 6-7). At the time of redetermination, Petitioner's income from SSA issued RSDI benefits was \$[REDACTED] monthly. (Exhibit A, p. 8). On the Redetermination, Petitioner also reported income from employment at [REDACTED], averaging \$[REDACTED] per week the last 30 days. Petitioner indicated she had upcoming surgeries and expected to be off work until the beginning of February 2024. (Exhibit A, p. 11). During the prehearing conference, it was discussed that Petitioner's employment had ended. (Exhibit A, p. 2; APS Testimony). Accordingly, the Department re-determined Petitioner's eligibility for MA reflecting that the RSDI benefit is the only income. (Exhibit A, p. 17). The budget shows that the Department properly considered the \$[REDACTED] for insurance premiums. After the \$20.00 disregard and PIL of \$[REDACTED] are considered, Petitioner has a monthly deductible of \$[REDACTED]. There was no evidence that Petitioner had any of the other allowable deductions (court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, an earned income disregard of \$65.00 plus ½ of the remaining earnings, or Guardianship/Conservator expenses). (Exhibit A, p. 17). The new deductible amount was effective February 1, 2024. (APS Testimony)

The Department noted that Petitioner will now be eligible for the Medicare Savings Program with the change in income. (Exhibit A, p. 2). Accordingly, it is expected that this will change the monthly deductible amount as there will be a change in insurance premiums Petitioner pays. Additionally, the Department disregards the annual cost of living increase for RSDI for January, February, and March. (See BEM 503, January 1, 2023, p. 30). It is expected that this would further change the deductible calculation.

Therefore, it is expected that the Department will be issuing another Health Care Coverage Determination Notice to Petitioner when the new determination(s) are made.

Petitioner testified she has ongoing issues with kidney stones. Petitioner is concerned about the cost of treatment if she needs to have treatment for another blockage due to the stones. Petitioner testified that her last paycheck was in November 2023 and she will not be returning to work. (Petitioner Testimony).

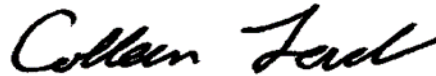
This Administrative Law Judge has no authority to change or make any exceptions to the applicable regulations and policy, which require a monthly deductible when there is excess income. Overall, the evidence establishes that the Department properly determined Petitioner's eligibility for MA based upon the available information and redetermined eligibility as new information was provided.

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.

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
Jamie Dent
Grand Traverse/Leelanau County
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**MDHHS-GrandTraverse-
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SchaeferM

EQADHearings

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MOAHR

Via-First Class Mail :

Petitioner
[REDACTED]
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