



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  
ACTING DIRECTOR

██████████  
**4411 JACKSON ST**  
**DEARBORN HEIGHTS, MI 48125**

Date Mailed: April 10, 2024  
MOAHR Docket No.: 24-001315  
Agency No.: 102645308  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Julia Norton**

**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, telephone hearing was held on March 27, 2024. Petitioner was present and self-represented. The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist.

**ISSUE**

Did the Department properly determine that Petitioner was eligible for Medicaid (MA) coverage under Group 2 SSI (G2S) subject to a \$1,676.00 monthly deductible?

**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 MA recipient under the full-coverage AD-Care program.
2. On November 14, 2023, Petitioner returned her redetermination form to the Department for the Department to evaluate Petitioner's ongoing eligibility for MA.
3. Petitioner had unearned income in the form of Retirement, Survivors and Disability Insurance (RSDI) income in the gross amount of ██████████ per month (Exhibit A, pp.7-8). Petitioner's \$174.70 Part B Medicare premium is deducted from her RSDI benefits.
4. Petitioner is ██████ years old.

5. On November 28, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice notifying Petitioner that effective January 1, 2024 ongoing Petitioner was eligible for MA under the Plan First (PFFP) program and G2S coverage with a monthly deductible of \$1,922.00 (Exhibit A, pp. 9-12).
6. On February 7, 2024, the Department received Petitioner's hearing request disputing the Department's action (Exhibit A, pp. 3-5).
7. On February 15, 2024, the Department reran and recertified the Petitioner's eligibility and issued a Health Care Coverage Determination Notice notifying Petitioner that her monthly deductible for the G2S program would be \$1,676.00, effective January 1, 2024 ongoing.

### **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, the Department concluded that Petitioner was eligible for MA coverage under the Plan First Family Planning program (PFFP) and Group 2 SSI-related (G2S) program, subject to a monthly deductible of \$1,676.00. Petitioner disputes the G2S 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 2024), p. 1; BEM 137 (January 2024), 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, p. 2; 42 CFR 435.404.

Because Petitioner was over age 65 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, the

Department must determine Petitioner's MA fiscal group size and net income. As an unmarried individual, Petitioner has a fiscal group size of one for SSI-related MA purposes. BEM 211 (October 2023), p. 8. The Department provided an SSI-Related Medicaid Income Budget and testified that Petitioner's net income for MA purposes is [REDACTED] (Petitioner's gross unearned RSDI income of [REDACTED] reduced by a \$20.00 disregard) (Exhibit A, pp. 7-8). BEM 530 (April 2020), p. 2; BEM 541 (January 2024), p. 3. While there are additional deductions in calculating net income, for employment income, and guardianship and/or conservator expenses, such factors were not applicable in this case. See BEM 541, pp. 1-6. Petitioner did not dispute the Department's testimony concerning her RSDI income. Therefore, the Department properly determined Petitioner's net income.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. Ad-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. As previously noted, Petitioner is not married and has a fiscal group size for SSI-related MA benefits of one. BEM 211, p. 8. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163, p. 2. The income limit for AD-Care for a one-person MA fiscal group is \$1,235.00. RFT 242 (April 2024), p. 1. Because Petitioner's monthly household income of [REDACTED] exceeds \$1,235.00, the Department properly determined Petitioner to be ineligible for full-coverage MA benefits under AD-Care.

Petitioners who are ineligible for full-coverage MA because of excess income may still receive MA benefits subject to a monthly deductible through a Group 2 Medicaid category. BEM 105, p. 1. Petitioner is not the caretaker of any minor children, and therefore, does not qualify for MA through the Group 2-Caretaker MA program.

Petitioner may still receive benefits subject to a monthly deductible through Group 2 SSI-related program (G2S), which provides for MA coverage with a monthly deductible. BEM 166 (April 2017) 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). As discussed above, Petitioner's net income for MA purposes is [REDACTED] BEM 530, p. 2; BEM 541, p. 3. The PIL is a set amount identified in policy based on the client's MA fiscal group size and county of residence. BEM 541; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. Petitioner has an MA fiscal group size of one and lives in [REDACTED] County. Petitioner's PIL is \$375.00. RFT 200, p. 2; RFT 240, p 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) exceeds \$375.00, Petitioner is eligible for MA assistance under the deductible program, with the deductible equal to the amount that monthly net income, less allowable deductions, exceeds \$375.00. BEM 545 (July 2022), pp. 2-3, 10-11.

In determining the monthly deductible, net income is reduced by allowable needs deductions for health insurance premiums (which includes Medicare premiums paid by the household), remedial services for individuals in adult foster care home or home for the aged, and cost of living adjustments (COLA) (for January through March only). BEM 544, pp. 1-3; BEM 163, p. 2. 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. Petitioner paid \$174.70 for Medicare Part B premium. For the deductible effective January 2024, Petitioner was entitled to the COLA exclusion (the difference between RSDI for 2024 and that for 2023) of \$72.00.

Petitioner's net income of [REDACTED] reduced by the allowable needs deductions and COLA exclusion, and further reduced by the \$375.00 PIL, results in a net income of [REDACTED]. Therefore, the Department acted in accordance with policy when it determined Petitioner was eligible for G2S MA benefits subject to a monthly deductible of [REDACTED].

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 was eligible for MA coverage under G2S with a monthly deductible.

### **DECISION AND ORDER**

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



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**Julia Norton**  
Administrative Law Judge

JN/ml

**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**  
Susan Noel  
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**MDHHS-Wayne-19-Hearings@michigan.gov**

**Interested Parties**

BSC4  
M Schaefer  
EQAD  
MOAHR

**Via First Class Mail:**

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