



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

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Date Mailed: April 5, 2024
MOAHR Docket No.: 24-001725
Agency No.: ██████████
Petitioner: ██████████ ██████████

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 27, 2024, from Lansing, Michigan. ██████████ ██████████ the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Caroline Owczarzak, Eligibility Specialist (ES).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-21.

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. On December ██████████ 2023, a Redetermination form was issued to Petitioner. (Exhibit A, p. 8)
2. On January ██████████ 2024, Petitioner submitted a Redetermination for his MA case. Petitioner was the only household member. Petitioner reported income of \$ ██████████ monthly from Retirement Survivors Disability Insurance (RSDI) benefits. Petitioner reported assets including a bank account with a balance of \$ ██████████ (Exhibit A, pp. 8-14)

3. On January ■ 2024, the Department processed Petitioner's Redetermination and determined that Petitioner was: no longer eligible for MA under the Healthy Michigan Plan (MA HMP) category because he currently receives Medicare; exceeded the income limit for MA based on being aged or disabled (MA AD CARE); exceeded the asset limit to be considered for a Group 2 MA with a deductible; and exceeded the asset limit for other Supplemental Security Income (SSI) related MA categories. (Exhibit A, p. 3)
4. On January ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating he was eligible for limited coverage MA under the Plan First category effective February 1, 2024. (Exhibit A, pp. 16-17)
5. On February 5, 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-6)

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, October 1, 2023, 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.

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.

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, October 1, 2023, 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, October 1, 2023, 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.

Aged or Disabled (MA-AD) is an SSI-related Group 1 MA category. MA-AD is available to persons who are aged or disabled. Net income cannot exceed 100% of the poverty level. The net income limit can be determined by subtracting twenty dollars from the income limits listed in table one of RFT 242. BEM 163, July 1, 2017, pp. 1-2. Effective April 1, 2023, the listed monthly income limit for a group size of one is \$1,235.00. RFT 242, April 1, 2023, 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.

Asset eligibility is required for SSI-related MA categories. Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. BEM 400, July 1, 2023, pp. 6-7. For the SSI related MA categories for a group of one the asset limit is \$2,000.00. BEM 400, July 1, 2023, pp. 6-8.

In this case, Petitioner did not contest the MA eligibility determination itself and testified that he expected he would no longer qualify at Redetermination. Petitioner is no longer eligible for MA-HMP because he qualifies for Medicare. Petitioner also did not contest

that his assets and income exceed the applicable limits for SSI-related MA categories, such as MA AD CARE or Group 2 Aged, Blind and Disabled. (Petitioner Testimony).

Rather, Petitioner explained that he is in the process of having dental work completed, which started before it was determined that he is no longer eligible for MA. Petitioner is seeking MA coverage just for the completion of the dental work. (Exhibit A, pp. 4-5; Petitioner Testimony). The Dental Section of the Medicaid Provider Manual addresses a loss of eligibility:

3.5 LOSS OR CHANGE IN ELIGIBILITY

Services are not covered after loss or change in eligibility. Root canal therapy, authorized laboratory processed crowns, and authorized complete and partial dentures may be reimbursed if services were started prior to the loss/change in eligibility and completed within the month following the last date of eligibility. Example: If a beneficiary loses eligibility on January 31 and a root canal or denture has already been started, the provider has until February 28 to complete the procedure to be eligible to receive reimbursement. Reimbursement is not made for the following:

- immediate dentures delivered after the loss/change in eligibility.
- when a beneficiary's eligibility is terminated after extractions were performed, but prior to initial impressions for a denture.

Medicaid Provider Manual (MPM), Dental, January 1, 2024, p. 6.

There is no policy that would allow for a continuation of MA eligibility for Petitioner pending the completion of the dental work. As indicated in the above cited MPM policy, there may be coverage for services needed to complete previously authorized dental work in very limited circumstances. Petitioner's dental provider may wish to confirm whether any previous authorization remains eligible to complete services started prior to the loss/change in MA eligibility.

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 based on the information provided for the Redetermination.

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
Kim Cates
Bay County DHHS
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MOAHR

Via-First Class Mail :

Petitioner

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