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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

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DIRECTOR

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Date Mailed: June 3, 2024
MOAHR Docket No.: 24-002229
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on May 6, 2024, via teleconference. Petitioner appeared and represented herself. Rebecca Scott, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-31.

ISSUE

Did MDHHS properly terminate Petitioner's Medicaid (MA) coverage?

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 ██████████ 2024, Petitioner applied for MA and reported that she had a ██████████ or ██████████ condition (Exhibit A, pp. 10-13).
2. On February 6, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was not eligible for MA, effective March 1, 2024 (Exhibit A, p. 6).
3. On February 22, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was not eligible for MA, effective February 1, 2024 to February 29, 2024, because she was active on another case (Exhibit A, p. 23).
4. On February 23, 2024, Petitioner requested a hearing regarding her MA coverage (Exhibit A, p. 5).

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).

Medicaid 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2024), p. 1.

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. BEM 150 (July 2021), p. 1. The Social Security Administration (SSA) determines SSI eligibility. *Id.* Individuals who are SSI recipients are automatically eligible for MA if they are a Michigan resident and if they cooperate with third-party resource liability requirements. *Id.*

In this case, MDHHS denied Petitioner's application for MA coverage. At the hearing, MDHHS explained that Petitioner was previously receiving SSI-Terminated MA. However, that coverage ended effective March 1, 2024, because Petitioner was no longer receiving SSI.

MDHHS administers MA for SSI recipients including a continued MA eligibility determination when SSI benefits end. *Id.* When SSI benefits stop, MDHHS is required to evaluate the reason for the termination based on SSA's negative action code. *Id.*, p. 6. If the SSI benefits are stopped due to a reason that prevents MA eligibility (for example, death or a move out of state), MDHHS is required to close the SSI-related MA coverage. *Id.* If SSI benefits are closed for any other reason, MDHHS transfers the case to MA-Terminated SSI MA and sets a redetermination date for the second month after the transfer to allow for an ex parte review. *Id.* A redetermination/ex parte review is required before initiating a MA closure when there is an actual or anticipated change. *Id.* This includes a consideration of eligibility under all MA categories. *Id.*

Although MDHHS testified that it ended Petitioner's SSI-related MA because she was no longer receiving SSI, it did not demonstrate that it properly assessed her eligibility for all other MA categories. This was improper, pursuant to policy. Additionally, when Petitioner filed a new application for MA, she indicated that she had a physical, mental, or emotional health condition (Exhibit A, pp. 10-13). BAM 130 (October 2023), p. 1, requires MDHHS to verify an eligibility factor when the information is unclear, inconsistent, incomplete, or contradictory. Accordingly, MDHHS should have attempted to verify Petitioner's condition if it was unclear based on the information that she reported. It failed to show that it did so in this case.

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 MDHHS did not act in accordance with Department policy when it denied Petitioner's MA application and terminated her MA coverage.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**. MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner's eligibility for MA coverage, effective March 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial category of MA coverage that she is eligible to receive, from March 1, 2024 ongoing; and
3. Notify Petitioner of its decision in writing.



LJ/pt

Linda Jordan
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
Tracy Felder
Wayne-Southwest-DHHS
2524 Clark Street
Detroit, MI 48209
MDHHS-Wayne-41-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
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MOAHR

Via-First Class Mail:

Petitioner

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