



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
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 23, 2024
MOAHR Docket No.: 24-002455
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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, a telephone hearing was held on April 10, 2024. Petitioner was present and self-represented. The Department of Health and Human Services (Department) was represented by Robin White, Eligibility Specialist, and April Newing, Assistant Payment Supervisor.

ISSUE

Did the Department properly determine that Petitioner was eligible for Medicaid (MA) coverage under Group 2 SSI (G2S) subject to a \$ 2,394.00 monthly deductible for March 2024 and a \$2,479.00 monthly deductible for April 2024 ongoing?

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 G2S program with a monthly deductible of \$1,412.00.
2. Petitioner received unearned income in the form of Retirement, Survivors and Disability Insurance (RSDI). Her monthly RSDI income increased to \$ [REDACTED] per month beginning January 2024. Exhibit A, p. 6. Petitioner also received other unearned income of \$ [REDACTED] per month as a donation from her son. Exhibit A, p. 18.
3. Petitioner is [REDACTED] years old.

4. On February 15, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice notifying Petitioner that the Department was closing her case because the verification of her bank account was not returned.
5. On February 29, 2024, the Department received Petitioner's hearing request disputing that the Department ever requested a bank statement. Petitioner provided a bank statement with her hearing request. Exhibit A, pp. 4-5.
6. On March 13, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice notifying Petitioner that she was eligible for a G2S program with a monthly deductible of \$2,394.00 for March 2024 and a monthly deductible of \$2,479.00 for April 2024 ongoing.
7. Petitioner disputed the Department's decision finding her eligible for the G2S program with a monthly deductible.

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 Group 2 SSI-related (G2S) program, subject to a monthly deductible of \$2,394.00 for March 2024 and a monthly deductible of \$2,479.00 for April 2024 ongoing. Petitioner disputes the G2S coverage monthly deductible.

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 [REDACTED] 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 fiscal group size of one for SSI-related MA purposes. BEM 211 (October 2023), p. 8. The Department provided SSI-Related Medicaid Income Budgets for March 2024 and April 2024 ongoing. Exhibit B, pp. 10-11. The Department testified that Petitioner's March and April 2024 net income for MA purposes was \$ [REDACTED]. Both budgets included Petitioner's gross unearned RSDI income of \$ [REDACTED] which Petitioner did not dispute, plus other unearned income of \$ [REDACTED] reduced by a \$20.00 disregard. The Department testified that the \$ [REDACTED] was a donation from Petitioner's son. Donations from family are counted as the individual's unearned income. BEM 503 (April 2024) p. 11. Although Petitioner testified that she was no longer receiving this donation from her son, she admitted that she had not notified the Department of this. Therefore, the Department properly considered the \$ [REDACTED] donation as unearned income at the time that it calculated her MA deductible budget. Therefore, the Department properly concluded that Petitioner had \$ [REDACTED] in net unearned income, as shown on the budget.

Further, both budgets included \$ [REDACTED] of earned income, which the Department reduced by \$65 plus $\frac{1}{2}$ of the fiscal group's remaining earnings, to determine net earned income of \$27.50. BEM 541 (January 2024), p. 3. The Department determined Petitioner's household net income for March and April 2024 was \$ [REDACTED] the sum of her \$ [REDACTED] in net unearned income and \$ [REDACTED] in net earned income. However, the Department could not identify the source of this income at the hearing. Because the evidence did not support Petitioner having any earned income, the Department did not satisfy its burden of showing that it calculated Petitioner's G2S deductible in accordance with policy. The Department did not properly provide proof of Petitioner's earned income and therefore its determination of Petitioner's net income is not supported by the evidence.

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 failed to satisfy its burden of showing that it calculated Petitioner's G2S deductible in accordance with policy.

DECISION AND ORDER

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

THE DEPARTMENT 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 unearned and earned income amounts.
2. Redetermine Petitioner's monthly deductible for March 2024 and April 2024 ongoing.
3. Notify Petitioner of its decision in writing.



JN/ml

Julia Norton
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

Yvonne Hill

Oakland County DHHS Madison Heights Dist.

30755 Montpelier Drive

Madison Heights, MI 48071

MDHHS-Oakland-DistrictII-Hearings@michigan.gov

Interested Parties

BSC 4

M Schaefer

EQAD

Via First Class Mail:

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]