



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: May 23, 2024
MOAHR Docket No.: 24-003332
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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 29, 2024. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was not present at the hearing.

ISSUE

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

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 Freedom to Work (FTW) program.
2. Petitioner is unmarried and has a minor child.
3. Petitioner receives monthly unearned income for Retirement, Survivors, and Disability Insurance (RDSI).
4. On February 7, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing her that effective March 1, 2024 she was no longer eligible for FTW because she was not currently employed and/or disabled and was eligible for MA with a monthly deductible of \$403. (Exhibit A, p. 9).

5. On March 8, 2024, the Department sent Petitioner a HCCDN informing her that effective April 1, 2024 she was eligible for MA with a monthly deductible of \$727. (Exhibit A, p. 18).
6. On March 15, 2024, Petitioner sent a request for hearing to the Department disputing its determination regarding Petitioner's MA coverage. (Exhibit A, pp. 3-8).

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.

Petitioner requested a hearing to dispute the Department's notice to her that she was eligible for MA with a monthly deductible. FTW is only available to RSDI recipients who are employed and/or disabled. Petitioner, who receives only RSDI income based on a disability, is disabled but not employed. Therefore, the Department properly concluded that she was no longer eligible for FTW. BEM 174 (January 2020), p. 1. The record showed that Petitioner was notified on February 7, 2024 that she was eligible for MA subject to a monthly \$403 deductible under the Group 2-Aged, Blind and Disabled (G2S) program beginning March 1, 2024 but this deductible increased to \$727 a month effective March 1, 2024. At the hearing, the Department indicated that Petitioner's monthly deductible was \$454 effective May 1, 2024, and that it changed Petitioner's program from the G2S program to the Group 2-Caretaker/Relative (G2C) program, which afforded Petitioner a lower monthly deductible. Petitioner testified that she continued to dispute the \$454 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 (January 2021), p. 2; 42 CFR 435.404.

Petitioner, as the parent caretaker of a minor child and a disabled individual, was potentially eligible for full-coverage MA under the Low-Income Family/Parent Caretaker (LIF/PC) program if her income, calculated in accordance with the Modified Adjusted Gross Income (MAGI) methodology was less than 54% of the federal poverty level for her two-person group composed of her and her minor child. BEM 110 (April 2018), p. 1. As a disabled individual, Petitioner was also potentially eligible for full-coverage MA under the Aged Disabled (AD-Care) program if her income did not exceed 100% of the federal poverty level for her, for purposes of AD-Care, one person MA group. BEM 163 (July 2017), p. 2; BEM 211 (October 2023), p. 5.

Even if Petitioner was ineligible for LIF/PC, HMP or AD-Care, as the caretaker of a minor child in the home, she would be eligible for G2C, a Group 2 MA program where MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105 (October 2014), p. 1. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the amount the individual's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the client's shelter area (county in which the client resides) and fiscal group size. BEM 135, (October 2015), p. 2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1.

In this case, the Department failed to appear for the April 29, 2024 hearing. Thus, the Department did not appear to explain how it calculated the budget and determined that Petitioner was eligible only for MA under the G2C program with a monthly \$454 deductible. At the hearing, Petitioner was unable to confirm her monthly unearned income from RDSI, and it is unclear what income the Department used to render its decision. Accordingly, the Department should redetermine Petitioner's eligibility and issue notice of the new determination to Petitioner.

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 acted in accordance with Department policy when it determined Petitioner's eligibility for MA coverage with a monthly deductible.

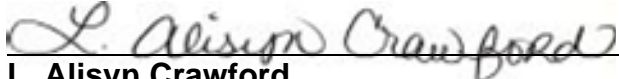
DECISION AND ORDER

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 MA eligibility for March 1, 2024 ongoing;
2. If eligible, provide Petitioner with the most beneficial MA coverage she is eligible to receive from March 1, 2024; and
3. Notify Petitioner in writing of its decision.

LC/ml


L. Alisyn Crawford
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

Yaita Turner

Oakland County Southfield District III

25620 W. 8 Mile Rd

Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

BSC4

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EQAD

MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
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