



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]
[REDACTED], MI [REDACTED]

Date Mailed: May 20, 2024
MOAHR Docket No.: 24-004091
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 May 15, 2024. Petitioner was present and self-represented. The Department of Health and Human Services (Department) was represented by Dania Ajami, Lead Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicare Savings Program (MSP) benefits?

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 recipient of Medicaid (MA) coverage under Group 2 SSI (G2S) with a monthly deductible of \$1,317.00 and MSP Qualified Medicare Beneficiaries (QMB) benefits.
2. Petitioner receives [REDACTED] in monthly gross Retirement, Survivors, and Disability Insurance (RSDI) income.
3. Petitioner is [REDACTED] years old, married but living separately from her spouse, and not the caretaker of a minor.
4. Petitioner files taxes and claims no dependents.

5. On February 28, 2024, Petitioner reported an address change to the Department which prompted the Department's review of Petitioner's case. Exhibit A, pp. 11-12.
6. On March 7, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) indicating that Petitioner was no longer eligible for MSP coverage because her income exceeded the limit for the program, effective December 1, 2023 ongoing. Exhibit A, pp. 8-9.
7. On April 8, 2024, the Department received Petitioner's request for hearing disputing the Department's denial of MSP coverage for excess income. Exhibit A, pp. 4-5.

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).

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, Petitioner clarified that in asking for a hearing for Medicaid, she was disputing the Department's closure of her MSP benefit after the Department determined she was not eligible because her income exceeded the program limits.

MSP is an SSI-related Medicaid category where the Department pays for certain Medicare expenses for eligible individuals. BEM 165 (June 2024) p. 1. Three different subcategories are available under MSP. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, coinsurances, and deductibles. BEM 165, p. 2. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. *Id.* Additional Low-Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if MDHHS funding is available. *Id.*

The client's income determines the MSP subcategory eligibility. BEM 165, p. 8 and RFT 242. For MSP eligibility, the Department is to determine countable income according to the SSI-related MA policies in BEM 165, 500, 501, 502, 503, 504 and 530. BEM 165, p. 8. For purposes of MSP, Petitioner, who is married but living separately from her spouse, is a group of one. BEM 211 (October 2023), p. 5.

Petitioner testified her only income is RSDI and receives [REDACTED] in monthly payments after the \$174.70 Medicare Part B premium is withheld. The total gross monthly RSDI benefit is [REDACTED]. The Department counts the gross benefit amount of RSDI as unearned income. BEM 503 (April 2024), p. 30.

When determining income eligibility for MSP, the Department allows a standard \$20.00 disregard for unearned income, disregards for employment income, deductions for guardianship/conservatorship expenses and court-ordered child support paid to a child not living with the fiscal group, and a disregard for cost-of-living adjustments (January through March only). BEM 541 (January 2024), p.3; BEM 503, pp. 30-31. In this case, the only applicable disregard is the standard \$20.00 disregard for unearned income. Applying the disregard to Petitioner's RSDI results in a net income is [REDACTED]. Income eligibility exists for MSP when net income is within the limits in RFT 242 or 247. BEM 165, p. 8. The highest income limit for any MSP category for a group size of one is [REDACTED]. RFT 242 (April 2024) p. 1. Petitioner's countable net income exceeds the highest income limit for MSP eligibility. Thus, the Department properly determined Petitioner was not eligible for MSP benefits due to excess income. At the hearing, the Department explained that while the HCCDN listed an annual income for Petitioner of [REDACTED] that amount was an error, and the actual income used to determine eligibility consisted of only Petitioner's monthly gross RSDI payments 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 Petitioner was not eligible for MSP coverage due to excess income.

DECISION AND ORDER

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



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

Caryn Jackson
Wayne-Hamtramck-DHHS
12140 Joseph Campau
Hamtramck, MI 48212

MDHHS-Wayne-55-Hearings@michigan.gov

Interested Parties

BSC4
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
MI [REDACTED]