



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: July 12, 2024
MOAHR Docket No.: 24-004438
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on June 13, 2024. Petitioner was represented by his Authorized Hearing Representative (AHR), [REDACTED] of ARC of Oakland County, and his mother and legal guardian, [REDACTED]. The Department of Health and Human Services (Department) was represented by Priya Johnson, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA)?

Did the Department properly deny Petitioner Medical Savings Program (MSP) assistance?

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 is [REDACTED] years old, has been disabled pursuant to the Social Security Administration (SSA) since his birth on [REDACTED] and remains disabled, and is an ongoing recipient of Retirement, Survivors, and Disability Insurance (RSDI) due to disability and his benefits are payable to him as a disabled dependent of a wage earner. (Exhibit A, pp. 8 – 9).
2. Prior to receiving RSDI, Petitioner received Supplemental Security Income (SSI) through March 2023. (Exhibit A, pp. 8 – 9).

3. Petitioner was approved for SSI-Terminated (SSI-T) MA through April 30, 2024 while his ongoing MA eligibility was assessed following the termination of his SSI benefits.
4. Petitioner has been entitled to Medicare hospital and medical insurance since April 2021. (Exhibit A, pp. 8 – 9).
5. On or after January 4, 2024, Petitioner's AHR completed a redetermination application for Petitioner's MSP assistance and provided documentation regarding Petitioner's medical expenses, income, expenses, and income tax status to the Department. (Exhibit 1, pp. 10 – 48).
6. On April 4, 2024, Petitioner's AHR submitted Petitioner's Social Security benefit record, which references C1 and DI, to the Department. (Exhibit A, pp. 8 – 9).
7. On April 10, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN), stating that effective May 1, 2024 Petitioner was denied for MA coverage, stating he is not over 65, blind, disabled, under 21, pregnant, or caretaker of a minor child in his home, and effective April 1, 2024 he was denied MSP assistance stating his MSP case number has changed. (Exhibit 1, p. 3).
8. On April 16, 2024, the Department sent Petitioner a HCCDN approving Petitioner for Plan First Family Planning (PFFP) MA effective May 1, 2024; and denying Petitioner for other MA coverage, stating he is not aged, blind, disabled, under 21, pregnant or parent/caretaker relative of dependent child, and for MSP assistance stating his MSP case number has changed. (Exhibit A, pp. 10 – 13).
9. On April 16, 2024, the Department received Petitioner's AHR's request for hearing regarding Petitioner's MA. (Exhibit A, pp. 3 – 6).
10. As of the date of the hearing, approval of Petitioner for Group 2 Aged, Blind and Disabled (G2S) MA with a deductible of \$1,352 effective May 1, 2024, was pending.
11. The Department did not consider Petitioner's eligibility for Disabled Adult Child MA (DAC MA) or Qualified Medicare Beneficiaries (QMB) MSP.

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's AHR requested a hearing because the April 10 HCCDN denied Petitioner full-coverage MA and stated that Petitioner is not disabled, and because Petitioner was denied MSP. Petitioner was approved for PFFP only, effective May 1, 2024 ongoing.

Determining whether the Department properly determined an individual's MA eligibility requires consideration of all MA categories. Individuals may qualify under more than one MA category and Federal law gives them the right to the most beneficial category. BEM 105, p. 3. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 3. 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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1.

In this case, Petitioner is 42 years old, has been disabled since birth and remains disabled, and is a Medicare recipient. (Exhibit A, pp. 8 – 9). There was no evidence presented that Petitioner is the caretaker of any minor children or pregnant. Therefore, Petitioner is potentially eligible for MA under SSI-related MA categories, which include DAC MA, AD-Care, and G2S, as well as PFFP, which is a Modified Adjusted Gross Income (MAGI)-related MA program.

The Department initially approved Petitioner for PFFP only effective May 1, 2024 (Exhibit A, pp 10 – 13) but testified that it has since reviewed the case again and pended approval of Petitioner for G2S MA with a deductible of \$1,352 effective May 1, 2024. However, the Department concluded that Petitioner remained ineligible for MSP. At the hearing, the AHR contended that the Department should have evaluated Petitioner for DAC MA and QMB MSP. PFFP is a limited coverage MAGI-related MA category (BEM 124, p. 1), while DAC MA provides broader coverage than PFFP or G2S and is, therefore, a more beneficial coverage for individuals.

DAC MA is a Group 1 SSI-related MA category and is available to a person receiving disabled adult children's (also called Childhood Disability Beneficiaries' or CDBs') RSDI (DAC RSDI) benefits under section 202(d) of the Social Security Act if he or she:

1. Is age 18 or older; and
2. Received SSI; and

3. Ceased to be eligible for SSI on or after July 1, 1987, because he or she became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
4. Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and

Note: To receive DAC RSDI a person must have a disability or blindness that began before age 22.

5. Would be eligible for SSI without such RSDI benefits and meet all other eligibility factors. BEM 158 (October 2014), pp. 1 – 3.

To determine if an individual is receiving DAC RSDI, the Department must ascertain if the individual:

1. Has been identified as a DAC RSDI by the Department's central office or an SSI letter and the Social Security claim number suffix contains the letter C, or
2. Is more than 19 years 2 months old and the Social Security claim number suffix contains the letter C, or
3. Is age 18 or older, not a full-time student in elementary or secondary school and the Social Security claim number contains the letter C.

In each of these scenarios, the C may be followed by another letter or number (CA, CB, C1, etc.). BEM 158, p. 3. If any of the foregoing are true, the individual may be receiving DAC RSDI and the Department must request a screening for DAC MA eligibility from the Department's central office, unless a determination has already been completed. BEM 158, p. 3. If the individual is verified to be receiving DAC RSDI, the Department must then determine if all other financial and non-financial eligibility factors are met for DAC MA. BEM 158, p. 3. Additionally, DAC MA recipients eligible for MA are also covered by a buy-in program administered by the Department and are considered eligible for QMB MSP. BEM 158, p. 1; BAM 810, pp. 7 – 8; BEM 165 (October 2022), p. 3.

Here, Petitioner is age-qualified, has been receiving Social Security benefits due to disability since birth pursuant to the SSA, and the SSA included C1, DI as a reference on the SSA benefit verification letter it issued on March 21, 2024, which was provided to the Department on April 4, 2024. (Exhibit A, pp. 8 – 9). In a second piece of correspondence from SSA to Petitioner's guardian, dated May 27, 2024, Petitioner's Social Security claim number specifically includes the suffix of C1. (Exhibit 1, pp. 8 – 9). Additionally, the Department testified that until April 30, 2024, Petitioner was covered by SSI-Terminated (SSI-T) MA. Based on the foregoing, the Department was aware of Petitioner's receipt of SSI, age, and Petitioner's potential eligibility for DAC MA, and therefore, QMB MSP. However, during the hearing, the Department testified that it did not screen Petitioner for DAC MA or QMB MSP prior to issuing the HCCDNs approving Petitioner for PFFP only and denying MSP. (Exhibit A, pp. 10 – 13; Exhibit 1, p. 3).

Therefore, the Department did not act in accordance with applicable policy when it failed to evaluate Petitioner's eligibility for DAC MA and QMB MSP.

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 did not act in accordance with Department policy when it failed to evaluate Petitioner's eligibility for DAC MA and QMB MSP.

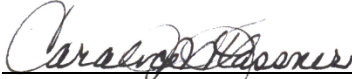
DECISION AND ORDER

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 eligibility for DAC MA and MSP from May 1, 2024 ongoing;
2. For each month he was eligible, provide Petitioner with the most beneficial MA coverage for that respective month; and
3. Notify Petitioner in writing of its decision.

CML/nr



Caralyce M. Lassner
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
MDHHS-Oakland-6303-Hearings@michigan.gov**

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED], MI [REDACTED]

Authorized Hearing Rep.

[REDACTED], MI [REDACTED]

Authorized Hearing Rep.

[REDACTED], MI [REDACTED]