



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.: 24-004554  
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 17, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Avery Smith, Assistance Payments Supervisor.

**ISSUE**

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage effective May 1, 2024?

**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 MA.
2. Petitioner is over age 65 and receives Retirement Survivors and Disability Insurance (RSDI) of \$1,576 per month.
3. On March 25, 2024, the Department received a completed MA redetermination application from Petitioner.
4. On April 10, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) approving Petitioner for Group 2 Aged, Blind and Disabled (G2S) MA with a deductible of \$1,148 effective May 1, 2024 and

continued Petitioner's coverage under Plan First Family Planning (PFFP) effective July 1, 2023. (Exhibit A, pp. 16 – 21).

5. On April 18, 2024, the Department received Petitioner's request for hearing regarding Petitioner's MA. (Exhibit A, pp. 3 – 6).

### **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 her MA coverage. Petitioner was approved for PFFP and G2S subject to a monthly deductible of \$1,148. Petitioner did not dispute her approval for PFFP.

Whether the Department properly determined each member's MA eligibility requires consideration of all MA categories. Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2.

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. Because Petitioner is over age 65 and is not the caretaker of a minor child, Petitioner is eligible for MA under only SSI-related categories.

#### **AD-Care MA**

Based on Petitioner's circumstances, she was potentially eligible for AD-Care MA. The AD-Care program is a Group 1, full-coverage, SSI-related MA program for disabled individuals who are income-eligible based on their MA fiscal group size. BEM 163 (July 2017), p. 1. However, net income for this program cannot exceed 100% of the Federal

Poverty Level (FPL) for the fiscal group size. BEM 163, p. 1. For SSI-related MA purposes, adults who do not live with a spouse are a fiscal group size of one. BEM 211 (October 2023), p. 8. Petitioner testified that she is not married; therefore, she is a fiscal group of one. Because she is a fiscal group of one, to be income eligible for this program, Petitioner's monthly income would have had to be \$1,275 or less. RFT 242 (April 2024). In this case, Petitioner receives RSDI in the amount of \$1,576 per month. (Exhibit A, p. 7). The gross amount of RSDI is counted as unearned income but, for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 503 (April 2024), pp. 30 – 31; BEM 541 (January 2024), p. 3; see also BEM 163. Petitioner's RSDI reduced by \$20, equals \$1,556 in net unearned income.

When determining an individual's eligibility for AD-Care MA, the individual is eligible for certain deductions from their income, which are applied in the order in which they are set forth in policy. BEM 541 (January 2024), p. 1. In cases where a fiscal group of one does not have earned income, if the individual has certain expenses related to non-SSI children or pays any court-appointed guardian and/or conservator expenses, the individual is entitled to certain deductions for those expenses. BEM 541, pp. 1, 3. No evidence was offered that Petitioner has any expenses related to non-SSI children and she testified that she does not pay any guardian or conservator expenses. Therefore, Petitioner's countable net income was \$1,556 and because \$1,556 is more than the limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

### **G2S MA**

The Department determined that Petitioner was eligible for G2S MA, which is an SSI-related Group 2 MA category available to a person who is aged (65 or older), blind, or disabled. BEM 166 (April 2017), p. 1. Clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for G2S MA, which provides for MA coverage with a monthly deductible. BEM 105, p. 1.

The deductible for G2S MA is equal to (i) the amount the individual's net income, calculated in accordance with the applicable Group 2 MA policy, (ii) minus specific expenses set forth in BEM 544, and (iii) minus the applicable Group 2 MA protected income level (PIL). BEM 166, p. 2; BEM 541, pp. 1, 3 – 4; BEM 544 (January 2020). The PIL is a set allowance for nonmedical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides, and the client's fiscal MA group size. BEM 544, p. 1. The PIL for Oakland County, where Petitioner resides, is \$408 for a one-person fiscal group. RFT 200 (April 2017), p. 3; RFT 240 (December 2013).

As set forth previously, Petitioner's net income is \$1,556. (Exhibit A, p. 7). From Petitioner's net income, the Department subtracts allowable needs deductions, consisting of health insurance premiums of the MA recipient and remedial services necessary to reduce physical and mental limitations and restore individuals to the best possible functional level. BEM 544, pp. 1 – 2. No evidence was presented that Petitioner pays any health insurance premiums or receives remedial services.

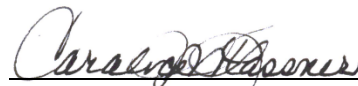
Therefore, Petitioner was not entitled to any of the additional deductions from her net income and her countable net income remained \$1,556. (Exhibit A, p. 7). The Department then deducted Petitioner's \$408 PIL from Petitioner's \$1,556 net income, which left \$1,148. (Exhibit A, p. 7). The Department's calculation was correct, and the amount left becomes the deductible amount. Therefore, the Department properly determined Petitioner's deductible in the amount of \$1,148 for May 2024 ongoing, based on her fiscal group's income. (Exhibit A, pp. 7, 16 – 21)

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's MA eligibility and G2S MA deductible.

**DECISION AND ORDER**

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

CML/nr



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**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**

Yaita Turner  
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**Interested Parties**

BSC4  
M. Schaefer  
EQAD  
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**Via-First Class Mail :**

**Petitioner**

[REDACTED]  
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