



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: July 11, 2024
MOAHR Docket No.: 24-005585
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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 July 10, 2024, via conference line. Petitioner was present and was unrepresented. The Department of Health and Human Services (Department) was represented by Rebecca Scott, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) and Medicare Savings Program (MSP) benefit 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 recipient under the Healthy Michigan Plan (HMP) program.
2. On February [REDACTED] 2024, Petitioner completed a redetermination related to his MA benefit case.
3. Petitioner had unearned income in the form of Retirement, Survivors and Disability Insurance (RSDI) benefits in the gross amount of \$[REDACTED]
4. On April [REDACTED] 2024, the Department sent Petitioner a Health Care Coverage Determination Notice informing him that he was approved for MA benefits subject to a monthly deductible of \$[REDACTED] for March 2024, and \$[REDACTED] effective April 1, 2024,

ongoing (Exhibit A, pp. 7-10). Petitioner was also advised that he was not eligible for MSP benefits due to excess income.

5. On May 14, 2024, Petitioner submitted a request for hearing disputing the Department's actions.
6. On June 12, 2024, Petitioner submitted a duplicate hearing request.

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.

MA

In this case, Petitioner was an ongoing MA recipient under the full-coverage HMP program. On February █ 2024, Petitioner completed a redetermination related to his MA benefit case. The Department determined that Petitioner was eligible for MA benefits subject to a monthly deductible of \$█ in March 2024, and \$█ effective April 1, 2024, ongoing.

Petitioner is a Medicare recipient. As such, the Department properly determined that Petitioner is not eligible for MA benefits under the HMP program. The HMP program provides health care coverage for individuals who are: (i) 19-64 years of age; (ii) do not qualify for or are not enrolled in Medicare; (iii) do not qualify for or are not enrolled in other Medicaid programs; (iv) are not pregnant at the time of application; (v) meet Michigan residency requirements; (vi) meet Medicaid citizenship requirements; and (vii) have income at or below 133% of the Federal Poverty Level. BEM 137 (January 2024), p. 1.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. Ad-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. It was not disputed that Petitioner receives \$1,756 per month in RSDI benefits. As Petitioner is not married, per policy, Petitioner's fiscal group size for SSI-related MA benefits is one. BEM 211 (October 2023), p. 8. The Department gives AD-Care budget credits for employment income, and guardianship and/or conservator

expenses. Petitioner did not allege any such factors were applicable. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163, p. 2. The income limit for AD-Care for a one-person MA group is \$1,275. RFT 242 (April 2024), p. 1. Because Petitioner's monthly household income exceeds \$1,275, the Department properly determined Petitioner to be ineligible for MA benefits under AD-Care.

Petitioner may still receive MA benefits subject to a monthly deductible through a Group 2 Medicaid category. Petitioner is not the caretaker of any minor children, and therefore, does not qualify for MA through the Group 2-Caretaker MA program.

Petitioner may still receive MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. BEM 166 (April 2017), p.1. As stated above, Petitioner's SSI-related MA group size is one. Petitioner's net income is \$1,736 (his gross RSDI reduced by a \$20 disregard). BEM 541 (January 2024), p. 3. The deductible is in the amount that the client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL); the PIL is based on the client's MA fiscal group size and the county in which he resides. BEM 105, p. 1; BEM 166, pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in Wayne County, is \$375 per month. RFT 200, p. 2; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$375, he is eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly net income, less allowable deductions, exceeds \$375. BEM 545 (July 2022), pp. 2-3.

In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, there was no evidence that Petitioner resides in an adult foster care home or home for the aged. Therefore, Petitioner is not eligible for any remedial service allowances. Petitioner was entitled to the COLA exclusion (for January through March only) of \$54 in March 2024. Petitioner was also receiving Medicare Part B. There was evidence that the State of Michigan was not paying Petitioner's Medicare Part B premium. Therefore, Petitioner was eligible for an insurance deduction of \$174.70. Petitioner's net income of \$[REDACTED] reduced by the \$375 PIL, \$54 COLA exclusion and \$174.70 insurance premium is \$1,132. Therefore, the Department properly determined that Petitioner is eligible for MA benefits under the G2S program subject to a monthly deductible of \$[REDACTED] for March 2024.

Effective April 1, 2024, Petitioner was not entitled to the COLA exclusion. Petitioner's net income of \$[REDACTED] reduced by the \$375 PIL and \$174.70 insurance premium is \$1,186. Therefore, the Department properly determined that Petitioner is eligible for MA benefits under the G2S program subject to a monthly deductible of \$[REDACTED] effective April 1, 2024, ongoing.

MSP

The Department sent Petitioner a notice on April [REDACTED] 2024, informing him that he was not eligible for MSP benefits. The Department testified that Petitioner exceeded the income limit for MSP benefits.

MSP are SSI-related MA categories. There are three MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low Income Beneficiaries (ALMB). BEM 165 (June 2024), p. 1. QMB is a full coverage MSP that pays: Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them); Medicare coinsurances; and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2. Income eligibility for MSP benefits exists when net income is within the limits in RFT 242 or 247. The Department is to determine countable income according to the SSI-related MA policies in BEM 500 and 530, except as otherwise explained in BEM 165. RFT 242, pp1-2; BEM 165, pp. 7-8.

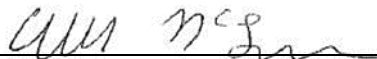
The Department testified that based on Petitioner's household income, he was not eligible for MSP benefits under any of the three categories. Effective April 1, 2023, for QMB, the monthly income limit for a group size of one is \$1,275, which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 1. For SLMB the monthly income limit for Petitioner's group size of one is \$1,526, which is 120 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, p. 2. For ALMB, the monthly income limit for Petitioner's group size of one is \$1,714.25, which is 135 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242, pp. 1-3. RFT 242, p. 3. Additionally, the Non-Categorically Eligible Michigan Beneficiary (NMB) category provides MSP benefits for individuals who have excess income or assets. BEM 165, p. 1. The NMB category is only for individuals who are receiving full coverage MA benefits.

At the hearing, Petitioner conceded that his gross RSDI benefit amount is \$[REDACTED]. Petitioner's income exceeds the limit for all MSP benefit categories. Additionally, Petitioner is not eligible for full coverage MA benefits, and therefore, cannot receive MSP benefits under the NMB category. Thus, the Department acted in accordance with policy when it determined Petitioner was not eligible for MSP benefits.

DECISION AND ORDER

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 and MSP eligibility. Accordingly, the Department's decisions are **AFFIRMED**.

EM/dm



Ellen McLemore
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
Tracy Felder
Wayne-Southwest-DHHS
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SchaeferM

EQADHearings

BSC4HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

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