



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 24, 2024
MOAHR Docket No.: 24-005681
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 27, 2024. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Krista Kulick, Assistance Payments Lead Worker.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage effective June 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 full coverage MA. (Exhibit A, p. 1).
2. Petitioner is [REDACTED] years old, disabled, and receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$2,416 per month. (Exhibit A, pp. 1, 8 – 9). He is not a Medicare recipient.
3. Petitioner is a tax filer and claims no dependents. (Exhibit A, p. 12).
4. On April 25, 2024, the Department received completed MA redetermination application from Petitioner. (Exhibit A, pp. 7 – 13).

5. On April 26, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCDDN) approving Petitioner for Plan First Family Planning (PFFP) and Group 2 Aged, Blind and Disabled (G2S) MA with a monthly deductible of \$1,988 coverages effective June 1, 2024. (Exhibit A, pp. 15 – 20).
6. On May 8, 2024, the Department received a request for hearing from Petitioner, disputing the amount of his G2S deductible and reporting medical expenses.

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 amount of his G2S deductible. Petitioner was approved for PFFP and G2S with a deductible of \$1,988 per month. Petitioner did not dispute his PFFP coverage.

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 57 years of age, disabled, is not receiving Medicare, and is not the caretaker of a minor child, Petitioner is potentially eligible for MA under AD-Care, Healthy Michigan Plan (HMP), G2S, and/or PFFP.

AD-Care MA

Because Petitioner is disabled, he 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. No evidence was introduced that Petitioner is married; therefore, he is a fiscal group of one. Because he 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 \$2,416 per month. (Exhibit A, pp. 1, 9, 14). 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. 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 or guardian or conservator expenses. Petitioner's RSDI reduced by \$20, equals \$2,396 in net unearned income. Therefore, Petitioner's countable net income was \$2,396 and because \$2,396 is more than the limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

HMP

To qualify for health care coverage under HMP, the individual must:

- be 19 – 64 years of age,
- not qualify for or be enrolled in Medicare,
- not qualify for or be enrolled in other Medicaid programs,
- not be pregnant at the time of application,
- meet Michigan residency requirements,
- meet Medicaid citizenship requirements, and
- have income at or below 133 percent Federal Poverty Level (FPL).

BEM 137, p. 1.

An individual is eligible for HMP if their Modified Adjusted Gross Income (MAGI)-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status. Here, Petitioner filed his own taxes and claimed no dependents. (Exhibit A, p. 12). Therefore, for HMP purposes, Petitioner has a household size of one. BEM 211 (October 2023), pp. 1 – 2. In 2024, the annual FPL for a household size of one was \$15,060. 89 FR 2961 (January 2024). The HMP income limit, 133% of the FPL, was \$20,029.80 annually, or \$1,669.15 per month.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. To determine income in accordance with MAGI, a client's tax-exempt foreign income,

tax-exempt Social Security benefits, and tax-exempt interest, if any, are added to the client's adjusted gross income (AGI) from the client's tax return. AGI is found on line 11 of IRS tax forms 1040, 1040-SR, and 1040-NR. Petitioner receives RSDI income of \$2,416 per month and this is his monthly MAGI income. (Exhibit A, pp. 1, 9).

Based on Petitioner's RSDI income of \$2,416, his income exceeds the HMP income limit of \$1,669.15 per month. Therefore, Petitioner was ineligible for HMP based on excess income.

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 Macomb 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 \$2,396. (Exhibit A, p. 14). 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 for those in adult foster care (AFC) or a home for the aged (HA). 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 his net income and his countable net income remained \$2,396. (Exhibit A, p. 14). The Department then deducted Petitioner's \$408 PIL from Petitioner's \$2,396 net income, which left \$1,988. (Exhibit A, p. 14). 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 \$1,988 for June 2024 ongoing. (Exhibit A, pp. 14 – 20).

In his request for hearing and during the hearing, Petitioner asserted that he has medical bills that the Department should have considered when determining his deductible amount. The Department testified that it received several medical documents from Petitioner on May 29, 2024, but no medical bills, and there was no additional evidence that Petitioner had submitted any medical bills to the Department


before it issued the HCCDN. Petitioner's medical bills may be reported to the Department to be applied toward Petitioner's deductible amount.

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 amount.

DECISION AND ORDER

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

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

Vivian Worden

Macomb County DHHS Mt. Clemens Dist.

44777 Gratiot

Clinton Township, MI 48036

MDHHS-Macomb-12-Hearings@michigan.gov

Interested Parties

BSC4

M. Schaefer

EQAD

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]