



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

Date Mailed: March 1, 2024
MOAHR Docket No.: 23-008278
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 January 30, 2024, from Lansing, Michigan. [REDACTED] the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Calli Jones, Eligibility Specialist (ES).

During the hearing proceeding, the Department's Hearing Summary packets were admitted as Exhibit A, pp. 1-31 and Exhibit B, pp. 1-30.

ISSUE

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

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On October [REDACTED] 2022, a New Hire was sent to Petitioner's wife at [REDACTED] [REDACTED] regarding her employment with [REDACTED] Suite with a due date of October 27, 2022. The case number was [REDACTED] (Exhibit A, pp. 8-10)
2. On October [REDACTED] 2023, a Health Care Coverage Determination Notice was issued to Petitioner at [REDACTED] stating his MA benefits would close effective December 1, 2023 based on a failure to verify information. The case number was [REDACTED] (Exhibit A, pp. 11-14)

3. On November █ 2023, Petitioner reapplied for MA benefits for himself, listing himself and his wife as household members at █ (Exhibit A, pp. 15-20)
4. On November █ 2023, Petitioner submitted a hearing request contesting the Department's actions. (Exhibit A, pp. 4-6)
5. The Department verified Petitioner's income from Social Security Administration (SSA) issued Retirement Survivors Disability Insurance (RSDI benefits). (Exhibit pp. 21-23)
6. The Department verified employment income for Petitioner's wife. (Exhibit A, pp. 24-25)
7. On November █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner at █ stating Petitioner was approved for: Plan First limited coverage effective December 1, 2023; the Medicare Savings Program under the SLMB category for the month of September 2023; and that he would have a monthly deductible of \$█ for his MA coverage effective December 1, 2023. The case number was █ (Exhibit A, pp. 26-31)
8. On November █ 2024, a Health Care Coverage Determination Notice was issued to Petitioner regarding the denial of Plan First limited coverage. This Notice also indicated MA coverage was denied for Petitioner under multiple categories. (Petitioner and ES Testimony)

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.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. BEM 105, October 1, 2023, p. 1.

Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, October 1, 2023, p. 1.

The Department counts the gross benefit amount of Social Security Administration (SSA) issued RSDI benefits as unearned income when determining eligibility. BEM 503, January 1, 2023, p. 29.

The Department utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. Oakland County is part of Shelter Area VI, which has a PIL of \$408.00 for a group size of one. RFT 200, April 1, 2017, p. 3 and RFT 240, December 1, 2013, p. 1.

For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus $\frac{1}{2}$ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2023, pp. 1-7.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, (July 1, 2022), p. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, (July 1, 2022), p. 10-12.

There are three categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low-Income Medicare Beneficiaries (ALMB). Income is the major determiner of category. For QMB net income cannot exceed 100% of poverty. For SLMB net income is over 100% of

poverty, but not over 120% of poverty. For ALMB net income is over 120% of poverty, but not over 135% of poverty. BEM 165, October 1, 2022, p. 1.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) and the MSP categories. Effective April 1, 2023, for a group size of one the income limit for MA-AD and QMB is \$1,235.00; for SLMB the income limit is \$1,235.01 to \$1,478.00; and for ALMB the income limit is \$1,478.01 to \$1,660.25. RFT 242, April 1, 2023, p. 1.

In general, verification is to be obtained when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. The Department must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department should use the best available information. If no evidence is available, the Department is to use their best judgment. BAM 130, October 1, 2023, pp. 1-3.

For MA, the Department must allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, the Department can extend the time limit up to two times when specific conditions are met. Verifications are considered timely if received by the date they are due. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 8-9.

In this case, on October [REDACTED] 2022, a New Hire was sent to Petitioner's wife at [REDACTED] regarding her employment with [REDACTED] with a due date of October 27, 2022. The case number was [REDACTED] (Exhibit A, pp. 8-10). On October [REDACTED] 2023, a Health Care Coverage Determination Notice was issued to Petitioner at [REDACTED] stating his MA benefits would close effective December 1, 2023 based on a failure to verify information. The case number was [REDACTED] (Exhibit A, pp. 11-14).

Petitioner called when he received the October [REDACTED] 2023 denial notice and confirmed that it was related to the October [REDACTED] 2022 New Hire. However, in January 2022, Petitioner and his wife moved and reported the change of address to the Department. Petitioner was advised to reapply for MA. (Petitioner Testimony). The ES indicated that there were multiple case numbers for Petitioner and his wife, it appears that the address change, and resulting transfer from Wayne County to Oakland County, was not applied to all of the case numbers. As of the hearing date, the ES had requested that Wayne County transfer all case numbers to Oakland County, but this had not yet occurred. (ES Testimony).

On November [REDACTED] 2023, Petitioner reapplied for MA benefits for himself, listing himself and his wife as household members at [REDACTED] (Exhibit A,

pp. 15-20). The Department verified Petitioner's income from SSA issued RSDI benefits. (Exhibit pp. 21-23). The Department verified employment income for Petitioner's wife. (Exhibit A, pp. 24-25). On November 27, 2023, a Health Care Coverage Determination Notice was issued to Petitioner at [REDACTED] stating Petitioner was approved for: Plan First limited coverage effective December 1, 2023; the Medicare Savings Program under the SLMB category for the month of September 2023; and that he would have a monthly deductible of \$[REDACTED] for his MA coverage effective December 1, 2023. The case number was [REDACTED] (Exhibit A, pp. 26-31).

However, on November [REDACTED] 2024, a Health Care Coverage Determination Notice was issued to Petitioner regarding the denial of Plan First limited coverage. This Notice also indicated MA coverage was denied for Petitioner under the multiple listed categories. However, the ES confirmed that Petitioner is approved for MA with the monthly deductible. (Petitioner and ES Testimony). Accordingly, it appears that the November [REDACTED] 2024 notice erroneously indicated MA was denied as it did not reflect the ongoing approval of MA with the monthly deductible.

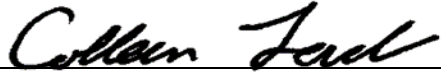
Petitioner noted that the Department's correspondence, such as the multiple Health Care Coverage Determination Notices, have been difficult to understand. Further, Petitioner noted that he received two copies of the hearing summary packet, with the only noticeable difference being with the appointment letter for the prehearing conference. (Exhibits A and B). Petitioner noted that both provide a phone number with no area code, and the original letter did not specify what office the meeting was scheduled at. (Exhibit A, p. 7; Exhibit B, p. 7).

Overall, it appears that the Department erred by failing to update the address on all case numbers when the change was reported in January 2022. This resulted in Petitioner not receiving the New Hire because it was sent to an old address. However, as MA has since been approved (with the deductible) based on the recent application, there is no need for the Department to reinstate and redetermine MA eligibility from the October 31, 2023 determination. 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 has since properly re-determined Petitioner's eligibility for MA.

DECISION AND ORDER

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

CL/dm



Colleen Lack
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
Yvonne Hill
Oakland County DHHS Madison
Heights Dist.
**MDHHS-Oakland-DistrictII-
Hearings@michigan.gov**

SchaferM

EQADHearings

BSC4HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]