



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 21, 2024
MOAHR Docket No.: 23-009863
Agency No.: [REDACTED]
Petitioner: [REDACTED] [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 February 21, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on his own behalf. Todd Dewell, Client Services Specialist, Bay Arenac Behavioral Health, appeared as a witness for Petitioner. The Department of Health and Human Services (Department) was represented by Caroline Owczarzak, Eligibility Specialist (ES).

During the Hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-19.

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. Effective August [REDACTED] 2023, Petitioner was approved for Medicaid under the MA G2S category with a \$[REDACTED] monthly deductible. (Exhibit A, p. 3 and 9-11)
2. On December [REDACTED] 2023, a mass update was run in Bridges, the Department's computer system, and limited coverage under the Plan First (MA Plan First) category was added to Petitioner's case. (Exhibit A, p. 2)

3. On December █ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating he was approved for MA Plan First effective January 1, 2024. (Exhibit A, pp. 17-19)
4. On December 20, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-5)

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.

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.

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.

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. Arenac County is part of Shelter Area II, which has a PIL of \$341.00 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 ½ 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.

RFT 242 addresses the income limit for aged or disabled MA (MA-AD). Effective April 1, 2023, for a group size of one the income limit for MA-AD is \$1,235.00. RFT 242, April 1, 2023, p. 1.

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

1. Is age 18 or older; and
2. Received Supplemental Security Income (SSI); and
3. Ceased to be eligible for SSI on or after July 1, 1987, because he 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.

BEM 158, October 1, 2014, p. 1.
(Underline added by ALJ)

In this case, Petitioner was approved for Medicaid under the MA G2S category with a \$[REDACTED] monthly deductible effective August 1, 2023. (Exhibit A, p. 3 and 9-11).

On December [REDACTED] 2023, a mass update was run in Bridges, the Department's computer system, and limited coverage under the Plan First (MA Plan First) category was added to Petitioner's case. (Exhibit A, p. 2). On December [REDACTED] 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating he was approved for MA Plan First effective January 1, 2024. (Exhibit A, pp. 17-19). Because the Department redetermined MA eligibility for Petitioner on December 9, 2023, Petitioner's December 20, 2023 hearing request was timely filed to review his MA eligibility.

Petitioner asserts that he is be eligible for MA under the MA DAC category. Petitioner was determined to be a DAC by the Social Security Administration. However, Petitioner acknowledged that he never received SSI because he did not meet the financial eligibility criteria at that time. (Petitioner Testimony).

The Department acknowledged that Petitioner previously received MA DAC in error. On July [REDACTED] 2020, the Department determined that Petitioner was not eligible for MA as a DAC because he never received SSI. (Exhibit A, p. 8). The BEM 158 policy that is currently in effect is cited above. This policy still requires that the individual received SSI to be eligible for MA as a DAC. Accordingly, Petitioner is not eligible for MA as a DAC because he never received SSI.

The evidence indicates the Department properly determined that Petitioner remained eligible for MA G2S with a monthly deductible of \$[REDACTED]. Petitioner's income of \$[REDACTED] minus the \$20.00 disregard, results in a countable income of \$[REDACTED]. This exceeded the income limit for full coverage MA as a disabled individual (MA AD) of \$[REDACTED] (Exhibit A, p. 9). Further, Petitioner's countable income of \$[REDACTED] minus the PIL of \$341.00 results in a deductible of \$[REDACTED]. There was no evidence that Petitioner had any of the other allowable deductions (court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, an earned income disregard of \$65.00 plus $\frac{1}{2}$ of the remaining earnings, or Guardianship/Conservator expenses). Further, it appears that Petitioner was previously approved for the Medicare Savings Program under the SLMB category. (Exhibit A, p. 2). Therefore, no medical insurance premium would have been included in the deductible calculation because Petitioner was not paying for his Medicare Part B premium.

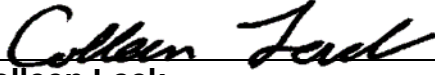
This Administrative Law Judge has no authority to change or make any exceptions to the applicable regulations and policy, which require a monthly deductible when there is excess income, and which require the individual to have received SSI to be eligible for MA as a DAC. Overall, the evidence establishes that the Department properly determined Petitioner's eligibility for MA based upon the available information.

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 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
Brandi Eiland
Arenac County DHHS
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EQADHearings

BSC2HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]