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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

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DIRECTOR

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Date Mailed: July 11, 2024
MOAHR Docket No.: 24-003958
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 on June 12, 2024, via teleconference. Petitioner appeared and represented herself. Rachel Meade, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, pp. 1-59.

ISSUE

Did MDHHS properly process Petitioner's Medicaid (MA) case?

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 coverage under the SSI-terminated MA category (Exhibit A, p. 28).
2. On ██████████ 2023, Petitioner submitted an application for MA (Exhibit A, p. 6).
3. On August 11, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was eligible for Plan First MA, a limited coverage category, and that she was not eligible for Medicare Savings Program (MSP) coverage or any other MA category because she was eligible on another case (Exhibit A, p. 12).
4. On November 14, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was eligible for Plan First MA, a limited coverage category, effective September 1, 2023 ongoing (Exhibit A, p. 20).

5. On November 18, 2023, MDHHS sent Petitioner a Verification Checklist (VCL) requesting a current bank statement showing her Social Security deposit or direct express card and ATM slip showing balance, and Huntington Checking Account (Exhibit A, p. 29). The verifications were due to MDHHS by November 18, 2023 (Exhibit A, p. 29).
6. On November 29, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice stating that bank account verifications were not received and that she was not eligible for MA and Medicare Savings Program (MSP) coverage, in August 2023 because she was active on another case (Exhibit A, pp. 33-34).
7. On December 7, 2023, MDHHS sent Petitioner a Health Care Coverage Supplemental Questionnaire with a due date of December 18, 2023 (Exhibit A, p. 40).
8. On December 7, 2023, MDHHS sent Petitioner a Verification Checklist (VCL) requesting proof of savings and checking account information from WWFCU and Direct Express (Exhibit A, p. 49). The VCL indicated that the deadline to return the documentation was December 18, 2023 (Exhibit A, p. 48).
9. On March 26, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice stating she was not eligible for MA and Medicare Savings Program (MSP) coverage in August 2023 because she was active on another case (Exhibit A, pp. 56-57).
10. On April 9, 2024, Petitioner requested a hearing regarding her MA coverage (Exhibit A, p. 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).

Medicaid (MA) 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. MDHHS administers MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2024), p. 1.

In this case, Petitioner was previously receiving MA-Terminated SSI Medicaid due to no longer receiving Supplemental Security Income (SSI). Petitioner submitted a new application for MA on August 10, 2023. MDHHS approved Petitioner for Plan First MA only and then redetermined her eligibility for full-coverage MA and MSP in November. MDHHS then requested more information from Petitioner regarding her eligibility factors

and did not approve Petitioner for any other MA category because she did not return the requested verifications.

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. BEM 150 (July 2021), p. 1. The Social Security Administration (SSA) determines SSI eligibility. *Id.* Individuals who are SSI recipients are automatically eligible for MA if they are a Michigan resident and if they cooperate with third-party resource liability requirements. *Id.* MDHHS administers MA for SSI recipients including a continued MA eligibility determination when SSI benefits end. *Id.* When SSI benefits stop, MDHHS is required to evaluate the reason for the termination based on SSA's negative action code. *Id.*, p. 6. If the SSI benefits are stopped due to a reason that prevents MA eligibility (for example, death or a move out of state), MDHHS is required to close the SSI-related MA coverage. *Id.* If SSI benefits are closed for any other reason, MDHHS transfers the case to MA-Terminated SSI MA and sets a redetermination date for the second month after the transfer to allow for an ex parte review. *Id.* A redetermination/ex parte review is required before initiating a MA closure when there is an actual or anticipated change. *Id.* This include a consideration eligibility under all MA categories. *Id.*

Here, Petitioner submitted a new MA application because her MA-Terminated SSI MA was ending. On the application, Petitioner reported that she needed help paying Medicare premiums and that she received Retirement, Survivors and Disability Insurance (RSDI) income (Exhibit A, pp. 6-9). It is unclear from the record when her MA-Terminated SSI MA coverage ended. A Case Comment entry provides that Petitioner had active MA-Terminated SSI MA on a separate case and that she submitted a new application to determine her eligibility for other MA categories (Exhibit A, p. 28). However, the application was not processed correctly (Exhibit A, p. 28). MDHHS redetermined her eligibility for MSP and Ad-Care MA in November 2023, but her case was pending due to missing verifications (Exhibit A, p. 28).

It is unclear from the record whether MDHHS attempted to complete an ex parte review of Petitioner's eligibility for MA, as required by policy. Additionally, it did not consider her for all MA categories prior to November 2023, even though she submitted an application in August 2023. This is contrary to policy because it exceeded the Standard of Promptness for MA, which requires that applications be processed, and eligibility results be certified within 45 days. BAM 115 (January 2023), p. 15. If an eligibility factor was unclear, MDHHS should have attempted to verify the factor, in accordance with Department policy in BAM 130, prior to issuing a denial. Here, MDHHS denied Petitioner for full-coverage MA prior to attempting to request the necessary verifications. Additionally, the Notices of Case Action did not provide Petitioner with adequate information regarding her MA eligibility and the reasons for the denials. Thus, Petitioner's request for hearing is not barred by the 90-day deadline for requesting a hearing, as stated in BAM 600 (March 2021), p. 6.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for MA.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Petitioner's [REDACTED] 2023 application for MA and MSP;
2. Provide Petitioner with the most beneficial category of MA and MSP coverage that she is eligible to receive from the date of application ongoing; and
3. Notify Petitioner of its decision(s) in writing.



LJ/pt

Linda Jordan
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

Heather Dennis
Jackson County DHHS
301 E. Louis Glick Hwy.
Jackson, MI 49201

MDHHS-Jackson-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
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