



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: August 22, 2024  
MOAHR Docket No.: 24-005616  
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, an in-person hearing was held at the Michigan Department of Health and Human Services (Department) local office on July 25, 2024. Petitioner appeared and represented herself. The Department was represented by Krista Kulick, Assistance Payments Lead Worker.

### **ISSUE**

Did the Department properly deny Petitioner's application for Medicaid (MA)?

Did the Department properly deny Petitioner's application for Medicare Savings Program (MSP) assistance?

### **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 under the Healthy Michigan Plan (HMP).
2. Petitioner is [REDACTED] years old, unmarried, and lives in Macomb County. (Exhibit A, pp. 7 – 15).
3. Petitioner receives \$2,358.70 per month in Retirement, Survivors, and Disability Insurance (RSDI) income and is employed as a substitute and food worker through EduStaff (Employer). (Exhibit A, pp. 1, 21, 23, 25, 27).

4. Petitioner is a recipient of Medicare Part A and Medicare Part B.
5. On April 8, 2024, the Department received an MA application Petitioner submitted through the Federally Facilitated Marketplace (Marketplace). (Exhibit A, pp. 7 – 15).
6. On April 18, 2024, the Department received a completed Health Care Coverage Supplemental Questionnaire (HCQ) from Petitioner with proof of her income and assets. (Exhibit A, pp. 1, 23 – 24, 27).
7. Petitioner had previously provided the Department with two paystubs on March 20, 2024. (Exhibit A, pp. 21, 25).
8. On May 2, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that denied Petitioner MA coverage due to ineligibility effective June 1, 2024, and MSP due to ineligibility and excess income effective April 1, 2024. (Exhibit A, pp. 28 – 31).
9. On May 8, 2024, the Department received a request for hearing from Petitioner, disputing the Department's denial of her MA coverage and MSP assistance. (Exhibit A, pp. 3 – 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.

Petitioner requested a hearing to dispute the Department's denial of her application for MA coverage and MSP assistance. At the hearing, Petitioner explained that the Department had overbudgeted her income. The Department denied Petitioner's MA coverage effective June 1, 2024, and MSP effective April 1, 2024, due to general ineligibility and excess income.

### **MA**

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 over age 65 and is not the caretaker of a minor child, Petitioner is eligible for MA under only SSI-related categories.

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. 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 have a spouse are a fiscal group size of one. BEM 211 (October 2023), p. 8. Petitioner testified that she is not married; therefore, she is a fiscal group of one. Because she 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).

For SSI-related MA, the Department must use the gross amount of Petitioner's wages and RSDI to determine a client's eligibility. BEM 500, pp. 1 – 5. Gross income is reduced by deductions allowed by Department policy to determine a client's countable net income for purposes of MA eligibility. BEM 163, p. 2. For purposes of SSI-related MA, gross RSDI income 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. Petitioner's RSDI of \$2,358.70 reduced by \$20, equals \$2,338.70 in net unearned income. And while individuals are eligible for limited deductions from their unearned income, those deductions are for certain expenses related to non-SSI children or court-appointed guardian and/or conservator expenses (BEM 541, pp. 1, 3) and Petitioner testified that she does not have any such expenses. Therefore, based on Petitioner's net unearned income alone, Petitioner's income was more than the \$1,275 limit for AD-Care MA and Petitioner was not eligible.

Clients who are ineligible for full-coverage MA coverage because of excess income may still be 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, and which provides for MA coverage with a monthly deductible. BEM 166 (April 2017), p. 1; see also BEM 105, p. 1. The HCCDN indicates that the Department determined Petitioner was ineligible for G2S because it concluded she was not over 65, blind, or disabled. (Exhibit A, pp. 28 – 29). However, Petitioner is over 65. (Exhibit A, p. 8). Therefore, the Department did not act in accordance with Department policy when it concluded Petitioner was not over 65 and did not consider her eligibility for G2S MA coverage effective June 1, 2024 ongoing.

### **MSP**

MSP is an SSI-related MA program that pays for certain Medicare expenses. BEM 165 (June 2024), p. 1. As of May 1, 2024, there were three categories of MSP: Qualified Medicare Beneficiaries (QMB), Specified Low-Income Medicare Beneficiaries (SLMB),

or QI Additional Low-Income Medicare Beneficiaries (ALMB). Income is a primary factor in determining eligibility for MSP. BEM 165, pp. 1, 8.

The MSP with the highest income limit is ALMB, which limits income to 135% or less of the federal poverty level (FPL) for the fiscal group. BEM 165, pp. 1, 8. 135% of the 2024 FPL for a fiscal group of one was \$1,714.25. RFT 242 (April 2024). As an unmarried individual, Petitioner was a fiscal group of one. BEM 211, p. 8. Therefore, because Petitioner's RSDI income alone was \$2,358.70 and that is more than \$1,714.25, the Department properly determined Petitioner was ineligible for MSP effective April 1, 2024.

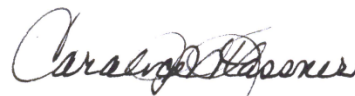
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it calculated Petitioner's countable income and when it determined Petitioner was ineligible for MSP effective April 1, 2024; however, the Department did not act in accordance with Department policy when it concluded Petitioner was not over 65 and did not consider her eligibility for G2S MA coverage effective June 1, 2024 ongoing.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to MSP and **REVERSED IN PART** with respect to its determination that Petitioner was ineligible for G2S MA.

THE DEPARTMENT 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. Redetermine Petitioner's eligibility for G2S MA effective June 1, 2024;
2. If eligible, provide Petitioner with G2S MA coverage for June 1, 2024 ongoing; and
3. Notify Petitioner of its decision in writing.



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**Caralyce M. Lassner**  
Administrative Law Judge

CML/nr

**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  
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**Interested Parties**

BSC4  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail :**

**Petitioner**  
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