



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 1, 2024
MOAHR Docket No.: 24-006267
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via telephone conference on July 25, 2024. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Angela Ware, specialist.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility.

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 [REDACTED] [REDACTED] 2024, Petitioner applied for MA benefits including retroactive MA benefits from January 2024.
2. As of March 2024, Petitioner was disabled, aged 19-65 years, a Medicare recipient, not a caretaker to minor children, unmarried, and not pregnant.
3. As of March 2024, Petitioner received gross monthly Retirement, Survivors and Disability Insurance (RSDI) of \$1,827.

4. On May 7, 2024, MDHHS determined Petitioner was ineligible for full-coverage Medicaid categories and only eligible for the limited-coverage MA category of Plan First from January to February 2024 and again beginning June 2024.
5. On May 29, 2024, Petitioner requested a hearing to dispute the determination of Petitioner's MA benefits.
6. On July 25, 2024, MDHHS determined that Petitioner was eligible for Medicaid subject to a monthly deductible of \$1,477.

CONCLUSIONS OF LAW

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a determination of MA eligibility. Exhibit A, pp. 3-5. A Health Care Coverage Determination Notice dated May 7, 2024, stated that Petitioner was ineligible for Medicaid from March through May 2024 due to a failure to timely return a Healthcare Coverage Supplemental Questionnaire.¹ Exhibit A, pp. 11-14. However, Petitioner's actual dispute concerned the limited-coverage MA category for which she was approved. MDHHS determined Petitioner to be ineligible for MA Group 1 categories other than the limited-coverage MA category of Plan First in January 2024, February 2024, and beginning June 2024.² *Id.*

Medicaid is also known as MA. BEM 105 (October 2023) p. 1. The MA program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.³ *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the

¹ MDHHS presented the questionnaire as an exhibit. Exhibit A, pp. 7-10.

² Plan First is a Group 1 MAGI-related limited-coverage MA category available to any United States citizen or individual with a qualified immigration status. BEM 124 (July 2023) p. 1. Generally, Plan First coverage is limited to family planning services such as birth control (see form DCH-2840-MSA).

³ Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

MA categories are also split into categories of Group 1 and Group 2. *Id.*, p. 1. For Group 1, a group's net income must be at or below a certain income level for eligibility. *Id.* Group 2 categories are considered a limited benefit (not limited coverage) because a deductible is possible. *Id.*

As of the disputed MA benefit month, Petitioner was disabled, 21-65 years of age, not pregnant, a Medicare recipient, and not a caretaker to minor children. As a non-pregnant, non-caretaker, Medicare recipient above the age of 21, Petitioner is ineligible for all full-coverage MAGI-related categories. As a disabled individual, Petitioner is potentially eligible to receive full-coverage MA under the Group 1 SSI-related category of Aged/Disabled Care (AD Care). BEM 163 (July 2017) p. 1.

At all relevant times, Petitioner was without minor children and did not reside with a spouse. For purposes of AD-Care, Petitioner's group size is one. BEM 211 (October 2023) p. 8.

As of the disputed benefit month, Petitioner received gross monthly RSDI of \$1,827. Generally, MDHHS counts the gross amount of RSDI in determining Medicaid eligibility.⁴ BEM 503 (January 2023) p. 29. Petitioner's RSDI of \$1,827 is countable for AD-Care.

For SSI-Related MA categories, MDHHS is to apply the deductions allowed in BEM 541 for adults. BEM 163 (July 2017) p. 2. A \$20 disregard is given for unearned income. BEM 541 (July 2019) p. 3. Subtracting the \$20 disregard from Petitioner's RSDI results in countable income of \$1,807.

MDHHS also gives AD-Care budget credits for employment income, guardianship expenses, and/or conservator expenses. Cost of living adjustments (COLA) are applicable for the benefit months of January through March only. BEM 503 (January 2023) p. 29. No credits were applicable to Petitioner.

Net income for AD-Care cannot exceed 100% of the federal poverty level BEM 163 (July 2017) p. 2. In 2024, the annual federal poverty level for a 1-person group residing in Michigan is \$15,060.⁵ Dividing the annual FPL by 12 results in a monthly income limit of \$1,255. The same income limit is found in policy.⁶ RFT 242 (April 2023) p. 1. Petitioner's countable income of \$1,807 exceeds the AD-Care income limit.⁷ Given the

⁴ Exceptions to counting gross RSDI include the following: certain former SSI recipients (e.g., disabled-adult children, 503 individuals, and early widowers), retroactive RSDI benefits, Medicare premium refunds, fee deductions made by qualified organizations acting as payee, and "returned benefits" (see BAM 500). No exceptions were applicable

⁵ <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

⁶ MDHHS policy lists an income limit of \$1,275 was noting the \$20 disregard is factored into the limit.

⁷ Presumably, Petitioner's group's income is within the income guidelines to receive the limited coverage MA category of Plan First. The Plan First income limit is 195% of the FPL. BEM 124 (July 2023) p. 2.

evidence, MDHHS properly determined Petitioner to be ineligible for MA under AD-Care or any other Group 1 MA category.

Petitioner testified she has four injections per year resulting in out-of-pocket expenses of \$800 each. Petitioner's testimony was sincere, but it was also not relevant because medical expenses do not alter a determination of Group 1 MA eligibility. Medical expenses may be used to meet a deductible under a Group 2 MA category. MDHHS testified that it sent Petitioner notice of a \$1,477 monthly deductible on the date of hearing. Petitioner is free to request a hearing in the future to dispute the amount of deductible and/or the processing of medical expenses submitted to meet the deductible.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be ineligible for Group 1 Medicaid categories other than Plan First beginning June 2024. The actions of MDHHS are **AFFIRMED**.

CG/nr



Christian Gardocki
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

Tracy Felder
Wayne-Southwest-DHHS
2524 Clark Street
Detroit, MI 48209

MDHHS-Wayne-41-Hearings@michigan.gov

Interested Parties

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Via-First Class Mail :

Petitioner

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