



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

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Date Mailed: August 29, 2024
MOAHR Docket No.: 24-006493
Agency No.: ██████████
Petitioner: ██████ ██████

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 July 31, 2024, from Lansing, Michigan. ██████ ██████ the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Lianne Scupholm, Hearing Facilitator (HF).

During the hearing proceeding, the Department’s Hearing Summary packet was admitted as Exhibit A, pp. 1-26.

ISSUE

Did the Department properly determine Petitioner’s eligibility for the Medicare Savings Program (MSP)?

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 September ██████ 2023, Petitioner applied for MA. (Exhibit A, pp. 3-10)
2. On October ██████ 20203, a State Online Query (SOLQ) report showed that Florida was still paying Petitioner’s Medicare Part B premium. (Exhibit A, pp. 1 and 15)
3. On November ██████ 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating he was approved for limited coverage under the Plan First category, and he was denied the Medicare Savings Program (MSP) because he was receiving this benefit in another state. (Exhibit A, pp. 11-14)

4. On March █ 2024, Petitioner submitted a Health Care Coverage Supplemental Questionnaire and reported paying for his health care premium. (Exhibit A, pp. 16-19)
5. On May █ 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-4)
6. The Department acknowledged that a request for the MSP should have been added when the March 1, 2024 Health Care Coverage Supplemental Questionnaire was submitted. (Exhibit A, p. 1)
7. On June █ 2024, a request for the MSP was processed for Petitioner for March 1, 2024. (Exhibit A, p. 1)
8. On June █ 2024, a Health Care Coverage Determination Notice was issued to Petitioner denying MSP benefits based on income in excess of program limits. This notice also stated Petitioner would have a monthly deductible for MA in the amount of \$█ for September 2023 through December 2023, and in the amount of \$█ January and February 2024. (Exhibit A, pp. 20-23)

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 Department counts the gross benefit amount of Social Security Administration issued Retirement Survivors Disability Insurance (RSDI) benefits as unearned income when determining eligibility. BEM 503, April 1, 2024, p. 30. The Department disregards the annual cost of living increase for RSDI for January, February, and March. BEM 503, April 1, 2024, pp. 30-31.

There are four categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); Additional Low-Income Medicare Beneficiaries (ALMB); and Non-Categorically Eligible Michigan Beneficiary (NMB). 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. For NMB, income and assets above allowed ALMB limits but have full coverage Medicaid with Medicare part A/B entitlement. BEM 165, June 1, 2024, 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, 2024, p. 1. Effective April 1, 2024, for a group size of one the income limit for MA-AD and QMB is \$1,275.00; for SLMB the income limit is \$1,275.01 to \$1,526.00; and for ALMB the income limit is \$1,526.01 to \$1,714.25. The RFT 242 policy notes that these amounts are the applicable percentage of the federal poverty limit plus the \$20.00 disregard for RSDI income. RFT 242, April 1, 2024, p. 1.

In this case, the MSP budgets show that Petitioner had unearned income of \$ [REDACTED] and \$20.00 disregard was included. The COLA exclusion was also included for the March 2014 budget. (Exhibit A, pp. 24-25). Petitioner testified that he did not have any questions about the budgets and did not disagree with anything in them. (Petitioner Testimony). Petitioner's income exceeded the applicable limits for the QMB, SLMB, and ALMB categories. The Health Care Coverage Determination Notices indicate Petitioner was not eligible for full coverage MA. (Exhibit A, pp. 11-14 and 20-23). Accordingly, Petitioner did not meet the criteria for the MSP under the NMB category.

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 the MSP.

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
Kristina Etheridge
Calhoun County DHHS
**MDHHS-Calhoun-
Hearings@michigan.gov**

SchaeferM

EQADHearings

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MOAHR

Via-First Class Mail :

Petitioner
[REDACTED]
[REDACTED]
[REDACTED]