



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]
[REDACTED], MI [REDACTED]

Date Mailed: September 5, 2024
MOAHR Docket No.: 24-006520
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Shyla Coleman, Eligibility Specialist.

ISSUE

Did the Department properly determine 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. Petitioner was an ongoing recipient of MA under the Healthy Michigan Plan (HMP).
2. Petitioner is [REDACTED] years old.
3. Petitioner receives monthly unearned income from the Social Security Administration in the form of Retirement, Survivor's, and Disability Insurance (RSDI) benefits in the amount of \$2,527 and reported that she pays \$174.70 monthly for Medicare Part B coverage. (Exhibit A, pp. 4, 18).
4. After Petitioner's MA case closed, she reapplied on [REDACTED] [REDACTED] 2024. (Exhibit A, pp. 15-20).

5. The Department approved Petitioner for MA coverage under the Group 2 SSI-related (G2S) program, with a monthly deductible of \$2,132, effective April 1, 2024.
6. On May 31, 2024, the Department received a request for hearing from Petitioner disputing the Department decision regarding her MA coverage. (Exhibit A, pp. 3-6).

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.

At the hearing, the Department testified that Petitioner was approved for MA coverage under the Group 2 Aged, Blind, and Disabled (G2S) MA with a monthly deductible of \$2,132. Petitioner disputes this coverage.

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, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Family Planning (PFFP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105 (January 2021), p. 2; 42 CFR 435.404.

Because Petitioner was a Medicare recipient, she was no longer eligible for HMP coverage and the Department properly concluded that she was potentially eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105, p. 1. Based on her receipt of Medicare and her disability, Petitioner was potentially eligible for MA coverage under the AD-Care program, which 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 (July 2017), p. 1. Net income for this program cannot exceed 100% of the Federal Poverty Level (FPL). BEM 163, p. 1. An unmarried

individual who applies for SSI-related MA is a fiscal group size of one. BEM 211 (October 2023), p. 8. Because Petitioner is not married, to be income eligible for the AD-Care program, her income would have had to be \$1,275 monthly or less for a fiscal group-size of one. RFT 242 (April 2024).

In this case, Petitioner receives RSDI income in the amount of \$2,527 monthly. (Exhibit A, p. 18). The gross amount of RSDI is counted as unearned income, but for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 503 (April 2024), pp. 30-31; see also BEM 163. The Department properly determined the fiscal group's net unearned income was \$2,507 (\$2,527 less the \$20 disregard). Because this amount is more than 100% of the FPL, the Department acted in accordance with Department policy when it determined that Petitioner was not eligible for MA coverage under the AD-Care program due to excess income.

The Department determined that Petitioner was eligible for G2S, which is an SSI-related Group 2 MA category available to a person who is ineligible for full-coverage MA coverage because of excess income but may still be eligible for G2S MA, which provides MA coverage with a monthly deductible. BEM 166 (April 2017), p. 1; BEM 105, p. 1. The deductible for G2S MA is equal to (i) the amount of the individual's net income, calculated in accordance with the applicable Group 2 MA policy, (ii) minus specific expenses set forth in BEM 544, and (iii) minus the applicable Group 2 MA protected income level (PIL). BEM 166, p. 2; BEM 541, pp. 1, 3-4; BEM 544 (January 2020). The PIL is a set allowance for nonmedical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides, and the client's fiscal MA group size. BEM 544, p. 1. The PIL for Wayne County, where Petitioner resides, for her one-person fiscal group, is \$375. RFT 200 (April 2017), p. 2; RFT 240 (December 2013), p. 1.

At the hearing, the calculation of Petitioner's monthly deductible based on a G2S budget was reviewed. The Department explained that from the Petitioner's net income, it subtracts allowable needs deductions. Allowable needs deductions consist of health insurance premiums of the MA group and remedial services costs for individuals in adult foster care homes or homes for the aged. BEM 544, pp. 1-2. The budget did not reflect any deductions for allowable needs. While no evidence was introduced that Petitioner was in a home for the aged or an adult foster care home or received any remedial services, Petitioner asserted that she paid her Medicare Part B premium from her RSDI income in the amount of \$174.70 per month. If Petitioner is responsible for paying out of pocket for her Medicare Part B premium, then the Department should have accounted for such in the budget. It did not. Because the Department's budget did not include the correct allowable need amount for Petitioner's Medicare Part B premium, the Department did not act in accordance with Department policy when it calculated Petitioner's monthly deductible amount under the G2S program.

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 that Petitioner was not income-

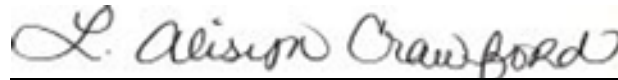
eligible for MA coverage under the AD-Care program. However, Department did not act in accordance with Department policy when it calculated Petitioner's monthly deductible under the G2S program.

DECISION AND ORDER

Accordingly, the Department's decision is **REVERSED**.

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 G2S deductible based on her [REDACTED] 2024 assistance application;
2. Provide Petitioner with the most beneficial coverage she is eligible to receive from the date of eligibility; and
3. Notify Petitioner of its decision in writing.



L. Alisyn Crawford
Administrative Law Judge

LC/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

Jeanenne Broadnax
Wayne-Taylor-DHHS
25637 Ecorse Rd.
Taylor, MI 48180

MDHHS-Wayne-18-Hearings@michigan.gov

Interested Parties

BSC4

M. Schaefer

EQAD

MOAHR

Via-First Class Mail :

Petitioner

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[REDACTED], MI [REDACTED]