



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: September 6, 2024  
MOAHR Docket No.: 24-007966  
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 August 8, 2024. Petitioner was represented by his Authorized Hearing Representative (AHR) and daughter [REDACTED] [REDACTED]. The Department of Health and Human Services (Department) was represented by Dequindre Williamson, Assistance Payments Supervisor.

**ISSUE**

Did the Department properly determine Petitioner and his spouse's (Spouse) 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 and Spouse are married, and both are [REDACTED] years old.
2. Petitioner and Spouse both receive monthly unearned income from the Social Security Administration from Retirement, Survivor's, and Disability Insurance (RSDI) in the amount of \$1,143.70 and \$611, respectively. Petitioner and Spouse have Medicare Part B which is paid for under the Specified Low-Income Medicare Beneficiary (SLMB) program.
3. On April 22, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that he and Spouse were approved for

MA coverage under the Plan First Family Planning (PFFP), a limited coverage program, effective June 1, 2024. (Exhibit A, pp. 6-10). The HCCDN further stated that effective April 1, 2024, both Petitioner and Spouse were eligible for MA coverage with a monthly deductible of \$1,068. (Exhibit A, p. 6). Effective April 1, 2024, Petitioner and Spouse were approved for the Medicare Saving Program (MSP) under the Specified Low-Income Medicare Beneficiary (SLMB) program but effective June 1, 2024, they were denied for MSP.

4. On May 22, 2024, the Department received a request for hearing from Petitioner disputing the Department's action with respect to Petitioner and Spouse's MA coverage. (Exhibit A, p. 3).

### **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.

Upon reviewing Petitioner's eligibility criteria, the Department concluded that Petitioner and Spouse were eligible for MA coverage under the Group 2 Aged, Blind and Disabled (G2S) with a monthly deductible of \$1,068 and the PFFP program. At the hearing, the Department testified that Petitioner and Spouse's monthly deductible amount beginning June 1, 2024 was \$1,243. (Exhibit A, p. 4). Petitioner disputes this coverage.

At the hearing, the Petitioner's AHR explained that Petitioner and Spouse were disputing their loss of MSP. Although the April 22, 2024 HCCDN notified Petitioner and Spouse that MSP was closing effective June 1, 2024, at the hearing, the Department confirmed that both Petitioner and Spouse were eligible for MSP with no gaps in coverage. Therefore, the hearing request concerning MSP is dismissed. The hearing proceeded to discuss the MA issue.

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 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 and Spouse are over age 65 and enrolled in Medicare, the Department properly concluded that they were both 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 their ages, Petitioner and Spouse were 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 163 (July 2017), p. 1. Net income for this program cannot exceed 100% of the Federal Poverty Level (FPL). BEM 163, p. 1. Married individuals who apply for SSI-related MA are a fiscal group size of two. BEM 211 (October 2023), p. 8. Because Petitioner and Spouse are married, to be income eligible for this program, their income would have had to be \$1,723.50 or less for a fiscal group-size of two. RFT 242 (April 2024).

In this case, Petitioner and Spouse receive RSDI in the amount of \$1,143 and \$661, respectively, for total household income of \$1,804. (Exhibit A, p. 4). 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 \$1,784 by reducing gross unearned income of \$1,804 by \$20. Because this amount is more than 100% of the FPL, the Department acted in accordance with Department policy when it determined that Petitioner and Spouse were not eligible for MA coverage under the AD-Care program.

The Department determined that Petitioner and Spouse were eligible for G2S MA, which is an SSI-related Group 2 MA category for clients who are ineligible for full-coverage MA coverage because of excess. BEM 166 (April 2017), p. 1. G2S MA provides MA coverage with a monthly deductible. BEM 105, p. 1. The deductible for G2S MA is equal to (i) the amount 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. 3-4; BEM 544 (January 2020). The PIL is a set allowance on 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 Oakland County, where Petitioner and Spouse reside, for their two-person fiscal group, is \$541. RFT 200 (April 2017), p. 2; RFT 240 (December 2013), p. 1.

The Department presented a G2S budget showing its calculation of the \$1,243 monthly deductible. As described above, Petitioner and Spouse's fiscal group's net income is

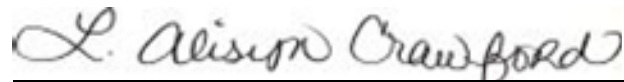
\$1,784. From Petitioner and Spouse's net income, the Department subtracts allowable needs deductions, consisting of health insurance premiums of the MA group and remedial service costs for individuals in adult foster care homes or homes for the aged. BEM 544, pp. 1-2. No evidence was introduced that Petitioner and Spouse were in adult foster care or homes for the aged and received remedial services. Further, since Petitioner and Spouse have MSP coverage under the SLMB program, the Department properly concluded that no deductions were allowable for health insurance premiums. Petitioner's allowable needs deduction for health insurance and remedial services totaled \$0. Therefore, the only deduction taken from Petitioner and Spouse's net unearned income is the PIL amount of \$541, which resulted in excess income of \$1,243, which equals the deductible. Thus, the Department did properly determine Petitioner's eligibility for SSI-related MA with a monthly deductible.

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 and Spouse's MA eligibility under the G2S program with a monthly deductible of \$1,243.

#### **DECISION AND ORDER**

Accordingly, Petitioner's request for hearing regarding MSP coverage is **DISMISSED**, and the Department's MA decision is **AFFIRMED**.

LC/nr



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**L. Alisyn Crawford**  
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 :**

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**Interested Parties**  
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