



GRETCHEN WHITMER  
GOVERNOR

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

MARLON BROWN  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: October 29, 2024  
MOAHR Docket No.: 24-008840  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**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 September 26, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Caleb Nygren, Hearing Facilitator (HF).

During the hearing proceeding, the Department’s Hearing Summary packet was admitted as Exhibit A, pp. 1-107 and Petitioner’s additional documentation was admitted as Exhibit 1, pp. 1-5.

**ISSUE**

Did the Department properly determine Petitioner’s eligibility for Medical Assistance (MA) and 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. Petitioner was receiving MA benefits under the aged or disabled (AD Care) category.
2. On April [REDACTED] 2024, Petitioner submitted an application for MA and other benefits. Petitioner reported assets including bank accounts with balances totaling \$[REDACTED]. This was processed as a change application because Petitioner was already active for MA and the other benefit program she applied for. Bank statements from [REDACTED] [REDACTED] were provided. (Exhibit A, pp. 3 and 43-66)

3. On May ■ 2024, Petitioner submitted a listing of medical expenses. (Exhibit A, pp. 3 and 67-68)
4. The Department determined that Petitioner was no longer eligible for MA under the AD Care category due to assets in excess of the \$2,000.00 program limit. (Exhibit A, pp. 3 and 69)
5. On May ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was approved for limited coverage under the Plan First category and the MSP under the Specified Low-Income Medicare Beneficiaries (SLMB) category effective June 1, 2024. (Exhibit A, pp. 70-72)
6. On June ■ 2024, Petitioner submitted an application for MA. This was processed as a change application because Petitioner was still active for MA at that time. Bank statements from ■ were provided. (Exhibit A, pp. 3 and 79-99)
7. On July ■ 2024, Petitioner contacted the Department regarding her MA status. The income limits were discussed with Petitioner. (Exhibit A, pp. 3 and 106)
8. On July ■ 2024, Petitioner filed a hearing request contesting the Department's determination and another application for MA. (Exhibit A, pp. 5-41)

### **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 Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income

minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1.

Group 2 aged, blind, and disabled (Group 2 MA) is an SSI related MA category that available to a person who is aged (65 or older), blind or disabled. BEM 105, January 1, 2024, p. 5; BEM 166, April 1, 2017, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

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.

Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. BEM 400, April 1, 2024, p. 6. For an SSI-related MA group of one, the asset limit is \$2,000.00. For the MSP, the asset limit is a group of one is \$9,430.00 effective January 1, 2024. BEM 400, p. 8.

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, 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 Department determined that Petitioner was eligible for the MSP but was no longer eligible for MA under the AD Care category due to assets in excess of the \$2,000.00 program limit based in the information available at the time of the May ■ 2024 determination. (Exhibit A, pp. 3 and 69-70).

Petitioner was receiving MA benefits under the aged or disabled (AD Care) category. On April ■ 2024, Petitioner submitted an application for MA and other benefits. Petitioner reported assets including bank accounts with balances totaling \$■■■■■■■■■■. This was processed as a change application because Petitioner was already active for MA and the other benefit program she applied for. Bank statements from Bank of America and Huntington were provided. (Exhibit A, pp. 3 and 43-66). Accordingly, the Department determined that Petitioner was no longer eligible for MA under the AD Care category due to assets in excess of the \$2,000.00 program limit. (Exhibit A, pp. 3 and 69). On May ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was approved for limited coverage under the Plan First category and the MSP under the SLMB category effective June 1, 2024. (Exhibit A, pp. 70-72).

Petitioner contests the determination that she is no longer eligible for MA under the AD Care category. However, Petitioner acknowledged that she had been saving money as required for a MSHDA Key to Own Homeownership Program. (Exhibit A, pp. 5-41; Petitioner Testimony). The evidence establishes that Petitioner exceeded the \$2,000.00 asset limit based on the information available at the time of the May ■ 2024 determination. Petitioner reported assets in excess of \$2,000.00 on the application, which was consistent with the banking statements submitted at that time. Therefore, the Department's determination that Petitioner was no longer eligible for MA under the AD Care category was in accordance with Department policy. This Administrative Law Judge has no authority to change or make any exceptions to the applicable regulations and policy, which include income and asset limits. Overall, the evidence establishes that the Department properly determined Petitioner's eligibility for MA and the MSP based upon the available information at that time.

Petitioner subsequently submitted additional MA applications and reported changes with assets. The Department is processing the updated information and issued a verification checklist to obtain information needed to re-determine Petitioner's eligibility for MA. (Exhibit A, pp. 3-4; HF Testimony). Once a new determination is made, the Department

would issue written notice to Petitioner. If Petitioner disagrees with the new determination, she may wish to file another timely hearing request.

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 MA and the MSP based in the information available at the time of the May 2024 determination.

**DECISION AND ORDER**

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

CL/dm

  
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**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**  
Janice Collins  
Genesee County DHHS Union St  
District Office  
**MDHHS-Genesee-UnionSt-  
Hearings@michigan.gov**

**SchaeferM**

**EQADHearings**

**BSC2HearingDecisions**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**  
[REDACTED]  
[REDACTED]  
[REDACTED]