



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: October 18, 2024
MOAHR Docket No.: 24-009234
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on September 19, 2024. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Bonita Welch, Eligibility Specialist.

ISSUE

Did the Department properly determine that Petitioner was ineligible for Medicare Savings Program (MSP) benefits?

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 is [REDACTED] years old, has Medicare, and has total Retirement, Survivors, and Disability Insurance (RSDI) income of \$1,514.70 per month. (Exhibit A, pp. 8 – 10).
2. On August 2, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that denied Petitioner MSP due to excess income, effective June 1, 2024. (Exhibit A, pp. 1, 5).
3. On August 8, 2024, the Department received a request for hearing from Petitioner to dispute the denial of MSP benefits. (Exhibit A, p. 4).

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.

Petitioner requested a hearing to dispute the Department's denial of his request for MSP effective June 1, 2024 ongoing. While the HCCDN issued to Petitioner on August 2, 2024 and effective June 1, 2024, stated that Petitioner was denied MSP because he did not meet basic criteria, the Department testified that Petitioner was denied MSP due to excess income. (Exhibit A, pp. 1, 5).

MSPs are SSI-related MA categories providing assistance with eligible individual's Medicare expense and, effective June 1, 2024, are divided into four types: (i) Qualified Medicare Beneficiaries (QMB), (ii) Specified Low-Income Medicare Beneficiaries (SLMB), (iii) Q1 Additional Low-Income Medicare Beneficiaries (ALMB), and (iv) Non-Categorically Eligible Michigan Beneficiary (NMB). BEM 165 (June 2024), p. 1. Income is the major determiner of category. BEM 165, pp. 1, 8.

The net income limit for MSP – QMB is 100% the federal poverty level (FPL) for the fiscal group; for MSP – SLMB, the net income limit is over 100%, but not over 120% of the FPL for the fiscal group; and for MSP – ALMB, the net income limit is over 120% but not over 135% of the 2024 FPL. A \$20 disregard is added to each income limit. As an unmarried individual, Petitioner is a fiscal group of one. BEM 211, p. 8. 100% of the FPL for a group of one is \$1,255. RFT 242 (April 2024). With the \$20 disregard added, the income limits for each MSP type are:

QMB	\$1,275
SLMB	\$1,275.01 – \$1,526
ALMB	\$1,526.01 - \$1,714.25

The Department introduced income budgets that reflect that in June 2024, Petitioner's RSDI was \$835.70, and beginning July 2024, Petitioner's total RSDI income was increased to \$1,514.70 with the addition of Petitioner receiving surviving spousal benefits. (Exhibit A, pp. 8 – 10). There was no evidence that Petitioner's income ever exceeded \$1,714.25. Therefore, based on the Department's testimony, and because

Petitioner's RSDI income was less than the maximum income limit for MSP - ALMB, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner MSP for June 2024 ongoing due to excess income.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner MSP.


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 eligibility for MSP effective June 1, 2024 ongoing;
2. If eligible, provide Petitioner with the most beneficial MSP coverage he is eligible to receive from June 1, 2024; and
3. Notify Petitioner of its decision in writing.

CML/nr



Caralyce M. Lassner
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

Denise Key-McCoggle
Wayne-Greydale-DHHS
27260 Plymouth Rd
Redford, MI 48239

MDHHS-Wayne-15-Greydale-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
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[REDACTED], MI [REDACTED]