



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED], MI

Date Mailed: October 15, 2024
MOAHR Docket No.: 24-009544
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 Lutrina Webster, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA)?

Did the Department properly deny Petitioner Medical Savings Program (MSP) assistance?

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 and is an ongoing recipient of Retirement, Survivors, and Disability Insurance (RSDI) due to disability. According to his Social Security records, Petitioner was a disabled child as of July 1984 and eligible for Supplemental Security Income (SSI) until 2009. Presently, he receives RSDI as a disabled dependent of a wage earner. (Exhibit A, pp. 18 – 19).
2. Prior to receiving RSDI, Petitioner received Supplemental Security Income (SSI) through May 2009. (Exhibit A, p. 19).

3. Petitioner has been entitled to Medicare hospital and medical insurance since January 2009. (Exhibit A, p. 19).
4. On [REDACTED] [REDACTED] 2024, the Department received a completed assistance application from Petitioner requesting MA and MSP. Petitioner was an ongoing recipient of MA on the date of his application. (Exhibit A, pp. 5 – 13).
5. On April 26, 2024, the Department received a detailed benefit record sent to Petitioner from the SSA, dated March 20, 2024, which references C1 and DC. (Exhibit A, pp. 1, 18 – 19).
6. On May 8, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) approving Petitioner for Plan First Family Planning (PFFP) MA effective May 1, 2024 and denying Petitioner MSP. (Exhibit A, p. 14).
7. On July 29, 2024, the Department received a request for hearing from Petitioner disputing the Department's determination of his MA. (Exhibit A, p. 3).
8. As of the date of the hearing, Petitioner was also approved for Group 2 Aged, Blind and Disabled (G2S) MA with a deductible of \$1,387. (Exhibit A, p. 1).
9. The Department did not consider Petitioner's eligibility for Disabled Adult Child MA (DAC MA) or Qualified Medicare Beneficiaries (QMB) MSP.

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 dispute the type of MA he was approved for and denial of MSP. Petitioner was approved for PFFP effective May 1, 2024 ongoing. As of the date of the hearing, Petitioner was also approved for Group 2 Aged, Blind and Disabled (G2S) MA with a deductible of \$1,387.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest

cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1.

In this case, Petitioner is ■ years old, disabled, and a Medicare recipient. (Exhibit A, pp. 18 – 19). According to his Social Security records, Petitioner was a disabled child as of July 1984 and eligible for Supplemental Security Income (SSI) until 2009. Presently, he receives RSDI as a disabled dependent of a wage earner. (Exhibit A, pp. 18 – 19). There was no evidence presented that Petitioner is the caretaker of any minor children or pregnant. Therefore, Petitioner is potentially eligible for MA under SSI-related MA categories, which include Disabled Adult Children (DAC), AD-Care, and Group 2 Aged, Blind and Disabled (G2S), as well as PFFP, which is a Modified Adjusted Gross Income (MAGI)-related MA program.

PFFP is a limited coverage MAGI-related MA category (BEM 124, p. 1), while DAC MA provides broader coverage than PFFP or G2S and is, therefore, a more beneficial coverage for individuals.

DAC MA is a Group 1 SSI-related MA category and is available to a person receiving disabled adult children's (also called Childhood Disability Beneficiaries' or CDBs') RSDI (DAC RSDI) benefits under section 202(d) of the Social Security Act. To determine if an individual is receiving DAC RSDI, the Department must ascertain if the individual:

1. Has been identified as a DAC RSDI by the Department's central office or an SSI letter and the Social Security claim number suffix contains the letter C, or
2. Is more than 19 years 2 months old and the Social Security claim number suffix contains the letter C, or
3. Is age 18 or older, not a full-time student in elementary or secondary school, and the Social Security claim number contains the letter C.

In each of these scenarios, the C may be followed by another letter or number (CA, CB, C1, etc.). BEM 158, p. 3. If any of the foregoing are true, the individual may be receiving DAC RSDI and the Department must request a screening for DAC MA eligibility from the Department's central office, unless a determination has already been completed. BEM 158, p. 3. An individual may be eligible for DAC MA if he or she:

1. Is age 18 or older; and
2. Received SSI; and

3. Ceased to be eligible for SSI on or after July 1, 1987, because he or she became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
4. Is currently receiving DAC RSDI benefits under section 202(d) of the Act; and

Note: To receive DAC RSDI a person must have a disability or blindness that began before age 22.

5. Would be eligible for SSI without such RSDI benefits and meet all other eligibility factors. BEM 158 (October 2014), pp. 1 – 3.

If the individual is verified to be receiving DAC RSDI, the Department must then determine if all other financial and non-financial eligibility factors are met for DAC MA. BEM 158, p. 3. Additionally, DAC MA recipients eligible for MA are also covered by a buy-in program administered by the Department and are considered eligible for QMB MSP. BEM 158, p. 1; BAM 810, pp. 7 – 8; BEM 165 (October 2022), p. 3.

Here, the SSA benefit verification letter dated March 20, 2024, which was provided to the Department, included C1, DC as a reference and also stated that Petitioner became entitled to SSI in 1984 “as a disabled child.” (Exhibit A, pp. 18 – 19). Based on the foregoing, the Department was aware of Petitioner’s potential eligibility for DAC MA, and therefore, QMB MSP. However, during the hearing, the Department testified that it did not screen Petitioner for DAC MA or QMB MSP prior to issuing the HCCDN approving Petitioner for PFFP only and denying MSP. Therefore, the Department did not act in accordance with applicable policy when it failed to evaluate Petitioner’s eligibility for DAC MA and QMB MSP.

Additionally, at the hearing the Department acknowledged that, because Petitioner remained ineligible for MSP and would be responsible for paying his Medicare Part B premiums, it improperly did not deduct Petitioner’s Medicare Part B premiums when determining Petitioner’s G2S deductible amount.

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 did not act in accordance with Department policy when it failed to determine Petitioner’s MA eligibility.

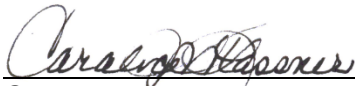
DECISION AND ORDER

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. Determine Petitioner's eligibility for DAC MA and MSP from May 1, 2024 ongoing;
2. If Petitioner is ineligible for DAC MA, recalculate his G2S deductible for May 1, 2024 ongoing;
3. Provide Petitioner with the most beneficial MA coverage he is eligible to receive for May 2024 ongoing; and
4. Notify Petitioner in writing of its decision.

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

Richard Latimore
Wayne-Conner-DHHS
4733 Conner
Detroit, MI 48215

MDHHS-Wayne-57-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]