[redacted]
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[redacted] **MI** [redacted]

Date Mailed: November 19, 2024
MOAHR Docket No.: 24-010944
Agency No.: [redacted]
Petitioner: [redacted]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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, an in-person hearing was held on November 14, 2024, from Inkster, Michigan. Petitioner appeared for the hearing with his wife, [redacted] who served as representative during the hearing. The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist.

ISSUE

Did the Department properly deny Petitioner's application for Food Assistance Program (FAP) benefits?

Did the Department properly determine Medical Assistance (MA) eligibility for Petitioner and his wife?

Did the Department properly determine that Petitioner and his wife were 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. On or around [redacted] 2024, Petitioner submitted an application requesting FAP benefits.

2. Petitioner and his wife were ongoing recipients of MA benefits. In connection with a redetermination/renewal, Petitioner and his wife's MA eligibility was reviewed.

3. On an unverified date, the Department denied Petitioner's application for FAP benefits.

4. The Department determined that effective April 1, 2024, Petitioner and his wife were eligible for MA under the Group 2 Aged, Blind, Disabled (G2S) category subject to a monthly deductible of $3,392, and that they were ineligible for Medicare Savings Program (MSP) benefits.

5. On or around March 25, 2024, Petitioner requested a hearing, disputing the denial of FAP benefits and the Department's determination with respect to the MA and MSP benefits.

6. The March 25, 2024, hearing request was assigned MOAHR Docket No. 24-004666, and on May 29, 2024, a hearing was held before Administrative Law Judge (ALJ) Linda Jordan with respect to the denial of the [redacted] 2024, FAP application, and the MA/MSP determination effective April 1, 2024, ongoing. (Exhibit A, pp. 47-52)

    a. A Hearing Decision was issued on June 25, 2024, finding that Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's FAP application and determined Petitioner and his wife's eligibility for MA/MSP benefits. (Exhibit A, pp. 47-52)

    b. ALJ Jordan ordered the Department to reprocess the [redacted] 2024, FAP application and issue FAP supplements, if Petitioner was eligible for them. ALJ Jordan also ordered the Department to redetermine MA and MSP eligibility for Petitioner and his wife for April 1, 2024, ongoing. (Exhibit A, pp. 47-52)

7. In compliance with the previous Hearing Decision, the Department reprocessed the [redacted] 2024, FAP application and redetermined MA and MSP eligibility for Petitioner and his wife effective April 1, 2024.

8. On or around July 1, 2024, the Department sent Petitioner a Notice of Case Action, denying the [redacted] 2024, FAP application on the basis that the household's net income exceeded the limit. (Exhibit A, pp. 74-78)

9. On or around July 1, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice, advising that effective April 1, 2024, Petitioner and his wife were ineligible for MSP benefits because their income exceeded the limit for the program. (Exhibit A, pp. 80-82).

10. Although an eligibility notice was not presented for review, the Department determined that Petitioner and his wife were ineligible for full coverage MA under the Ad Care category due to excess income and that effective April 1, 2024, Petitioner and his wife were approved for MA under the G2S category subject to a monthly deductible of $3,042.

11. On or around September 20, 2024, Petitioner requested a hearing disputing the Department's actions with respect to the FAP, MSP, and MA programs. Petitioner asserted that the Department failed to properly consider their income and expenses when determining FAP and MA/MSP eligibility. (Exhibit A, pp. 3-65; Exhibit 1; Exhibit 2)

12. The September 20, 2024, hearing request was assigned MOAHR Docket No. 24-010944 and is the subject of the current proceeding.

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).

FAP

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, Petitioner disputed the Department's actions with respect to the denial of the [redacted] 2024, FAP application. At the hearing, the Department representative explained that in accordance with the previous Hearing Decision issued by ALJ Jordan on June 25, 2024, the Department reprocessed the [redacted] 2024, FAP application and determined that Petitioner's household was ineligible for FAP benefits due to excess income. The Department presented a July 1, 2024, Notice of Case Action that was issued to Petitioner advising of the denial of the application. (Exhibit A, pp. 74-78) Petitioner confirmed that in dispute, was the information contained in the July 1, 2024, Notice of Case Action and the Department's finding that their household had excess income.

In order to be eligible for FAP benefits, FAP groups must have income below the applicable gross and/or net income limits based on their group size. Petitioner is subject to the net income test. BEM 213 (March 2024); BEM 212 (March 2024); BEM 550 (February 2024); RFT 250 (October 2023). Petitioner argued that the Department should have applied the income limit of [redacted] based on their status as senior impaired group members. However, upon review of both BEM 212 and RFT 250, because Petitioner and his spouse both confirmed that they are under age 60, they cannot be considered a senior impaired group. BEM 212, pp. 6-7; RFT 250, p. 1. Thus, the Department properly applied a net income limit for Petitioner's confirmed two person group size of [redacted] RFT 250, p. 1. The Department presented a FAP EDG Net Income Results Budget which was

thoroughly reviewed to determine if the Department properly concluded that Petitioner's household had excess income. (Exhibit A, pp. 71-73).

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (April 2022), pp. 1 – 5. The Department considers the gross amount of money earned from Retirement Survivors Disability Insurance (RSDI) or Social Security in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (April 2024), pp. 29-32.

The Department concluded that Petitioner's household had unearned income in the total amount of [redacted] which the Department representative testified consisted of [redacted] in RSDI/Social Security for Petitioner and [redacted] in RSDI/Social Security for Petitioner's wife. Although Petitioner's wife testified that she and Petitioner receive Supplemental Security Income (SSI) as well as Social Security Disability, the verification presented to the Department and provided for review during the hearing confirms that the type of unearned income for the household is RSDI/Social Security, and not SSI. (Exhibit A, pp. 41-42). Upon review, the Department properly calculated the unearned income of [redacted]

The deductions to income on the net income budget were also reviewed. Petitioner's FAP group includes a senior/disabled/veteran (SDV) member. BEM 550 (February 2024), pp. 1-2. Petitioner's FAP group is eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Standard deduction based on group size.
- Medical expenses for the SDV member(s) that exceed $35.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (July 2024), p. 1; BEM 556 (May 2024), p. 1-8.

Petitioner's group did not have any earned income, thus, there was no applicable earned income deduction. There was no evidence presented that Petitioner had any out-of-pocket dependent care or child support, and therefore, the budget properly did not include any deduction for dependent care, or child support. See BEM 554, pp. 6-8. The Department properly applied a standard deduction of $198 which was based on Petitioner's confirmed group size of two. RFT 255 (October 2023), p. 1.

The budget shows a medical deduction of $314, which the Department representative testified was based on Medicare Part B premiums for both Petitioner and his wife, each in the amount of $174.70, and which were confirmed by Petitioner. The evidence showed that Petitioner was also responsible for monthly prescription insurance premiums in the amount of $18 that were not considered by the Department in the calculation of the medical deduction. (Exhibit A, p. 70).

Petitioner asserted that additional medical expenses were submitted to the Department in May 2024 to be considered towards the medical deduction. The Department reviewed Petitioner's electronic case file and testified that on or around May 2, 2024, the Department received a packet of documents from Petitioner, totaling 41 pages. (Exhibit 2). The Department reviewed the medical expenses submitted and determined that they could not be applied towards the medical deduction for the application month or ongoing because they were either for service states that were old or consisted of overdue bills that could not be used. The Department representative testified that some of the medical expenses that were submitted reflected $0 in payments incurred by Petitioner and/or his wife, and thus, also could not be considered. (Exhibit 2). Petitioner also asserted that with the request for hearing, additional medical records were submitted for review. Petitioner submitted the documents to the undersigned ALJ during the hearing. (Exhibit 1). Upon review of the documents Petitioner submitted as Exhibit 1, many appear to be duplicates of those which were submitted to the Department in May 2024. (Exhibit 2). The dates of service and/or prescription fill dates on many of the documents admitted as Exhibit 1 and Exhibit 2 are identified as 2021, 2022, and 2023, and thus, outside the benefit period. Although one document from Henry Ford Fairlane Pharmacy indicates a patient pay responsibility of $128.38, this amount reflects a date range from January 1, 2023, through March 30, 2024, and thus, it could not be determined when the expense was incurred. (Exhibit 1, p. 48). Petitioner's wife testified that she incurs about $130 in medical expenses for prescriptions every 90 days, that Petitioner incurs around $150 in medical expenses for prescriptions every 90 days, and that Petitioner incurs around $400 in expenses for insulin supplies every 90 days. Specific documentation of these exact expenses for the 2024 benefit period at issue, were not presented in the admitted exhibits.

BEM 554 at pp. 9-13 provides detailed information regarding medical expenses that can be considered and applied to the medical deduction on the FAP budget, as well as the criteria for reporting expenses to the Department. Upon thorough review of the documents submitted by Petitioner as Exhibit 1 and Exhibit 2, the Department properly excluded the medical expenses from consideration, as the expenses were not ongoing monthly expenses, were incurred in the years before the March 2024 benefit period, and/or were overdue. It is noted that with the inclusion of the additional $18 monthly insurance premium, Petitioner would be eligible for a medical deduction of $332. However, although the Department conceded that it failed to consider the $18 prescription insurance premium, this is determined to be harmless error, as Petitioner's net income is well above the income limit.

After applying the $198 standard deduction and the increased $332 medical deduction to Petitioner's total income of [redacted] Petitioner has adjusted gross income of [redacted]

The budget reflects an excess shelter deduction of $0. (Exhibit A, p. 71). Petitioner disputed the Department's determination that the household was eligible for an excess shelter deduction of $0 and asserted that based on their status as SDV members, the household is entitled to an excess shelter deduction to the budget. Petitioner's argument is not supported by Department policy. See BEM 554; BEM556; and Exhibit C.

In calculating the excess shelter deduction, the Department representative testified that it considered Petitioner's monthly mortgage of $702.66, and annual home insurance of $2,135, which taken monthly equals $177.92, as well as annual property taxes of $1,276.92, which taken monthly equals $106.41. Petitioner's wife confirmed the amounts relied upon by the Department with respect to the monthly mortgage, home insurance, and property taxes. Thus, the Department properly determined that Petitioner has housing expenses totaling $986.99 monthly. The Department also properly applied the $680 heat and utility (h/u) standard, which covers all heat and utility costs including cooling expenses. BEM 554, pp. 13-26; RFT 255.

Petitioner argued that in addition to the heat and utility standard, the household is responsible for additional expenses for water, trash removal, telephone, and electric expenses. Petitioner asserted that the household should be entitled to the additional shelter deductions identified in RFT 250. Upon review however, FAP groups that qualify for the heat and utility standard do not receive any other individual utility standards and thus, the Department properly only applied the $680 heat and utility deduction. The Department properly determined that Petitioner's total shelter amount was $1,667. Because 50% of Petitioner's adjusted gross income of [redacted] is [redacted] and [redacted] is greater than the total shelter amount of $1,667, the Department properly determined that Petitioner's household was ineligible for an excess shelter deduction. BEM 556 (May 2024), p. 1-8.

After further review, the Department properly determined Petitioner's income and took into consideration the appropriate deductions to income. Because Petitioner's net income of [redacted] is greater than the $1,644 net income limit based on his two-person household group size, the Department properly denied Petitioner's FAP [redacted] 2024, FAP application.

MA/MSP

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.

In this case, Petitioner disputed the Department's determination that he and his wife were eligible for MA under a deductible based program and that they were ineligible for MSP benefits due to excess income. At the hearing, the Department representative testified that in compliance with the Hearing Decision issued by ALJ Jordan, Petitioner and his wife's MA/MSP eligibility was redetermined for April 1, 2024, ongoing.

As referenced in the above Findings of Fact, the Department determined that Petitioner and his wife were ineligible for full coverage MA under the Ad Care category due to excess income and that effective April 1, 2024, Petitioner and his wife were approved for MA

under the G2S category subject to a monthly deductible of $3,042. The Department also determined that Petitioner and his wife were ineligible for MSP benefits because their income exceeded the limit for the program. (Exhibit A, pp. 80-82).

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 Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (October 2023), p. 1; BEM 137 (June 2020), 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, p. 2; 42 CFR 435.404.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

Because Petitioner and his wife are both enrolled in Medicare, they are not eligible for full coverage MA under the HMP. There was also no evidence that Petitioner and his wife were the parents or caretakers of any minor children. Thus, the Department properly concluded that Petitioner and his wife were eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105, p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1. Ad-Care coverage is a SSI-related Group 1 MA category which must be considered before determining Group 2 MA eligibility. BEM 163 (July 2017), p. 1. Eligibility for Ad-Care is based on the client meeting nonfinancial and financial eligiblity criteria. BEM 163, pp. 1-2. The eligibility requirements for Group 2 MA and Group 1 MA Ad-Care are the same, other than income. BEM 166 (April 2017), pp. 1-2.

Income eligibility for the Ad-Care program is dependent on MA fiscal group size and net income which cannot exceed the income limit in RFT 242. BEM 163, p. 2. Petitioner and his wife have a MA fiscal group of two. BEM 211 (October 2023), pp. 5-8. Effective April 1, 2024, an MA fiscal group with two members is income-eligible for full-coverage MA under the Ad-Care program if the group's net income is at or below $1,723.50, which is 100 percent of the Federal Poverty Level, plus the $20 disregard. RFT 242 (April 2024), p. 1.

The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163. The

Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p. 2. The Department asserted that Petitioner and his wife had excess income for the Ad-Care program. The Department representative testified that it considered Petitioner's unearned income, which totaled [redacted] and was based on [redacted] in RSDI/Social Security for Petitioner and [redacted] in RSDI/Social Security for Petitioner's wife. The Department also properly considered the unearned income general exclusion of $20 to determine that Petitioner had countable income of [redacted]

After further review of Department policy and based on the testimony provided at the hearing, because Petitioner fiscal group's countable income exceeds the net income limit for the Ad-Care program, the Department acted in accordance with Department policy when it determined that Petitioner and his wife were ineligible for full coverage MA benefits under the Ad-Care program.

The Department also determined that Petitioner and his wife were not eligible for MSP benefits under any category due to excess income. MSP are SSI-related MA categories. In April 2024 there were three MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low-Income Beneficiaries (ALMB). BEM 165 (October 2022), p. 1. QMB is a full coverage MSP that pays Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them), Medicare coinsurances, and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2.

Income is the major determiner of category. The monthly income limits for Petitioner and his wife's fiscal group size of one are identified in RFT 242 (April 2024). For QMB eligibility, net income cannot exceed $1,723.50, which is 100% of the poverty level, plus the $20 disregard for RSDI income. For SLMB eligibility, net income is between $1,723.01 and $2,064, which is over 100% but not over 120% of the poverty level, plus the $20 disregard for RSDI income. For ALMB eligibility, net income must be between $2,064.01 and $2,319.50, which is over 120% but not over 135% of the poverty level, plus the $20 disregard for RSDI income. RFT 242, p.1; BEM 165, pp. 1-2, 8-10. Thus, to be eligible for MSP benefits, Petitioner and his wife's net income cannot exceed [redacted] The Department is to determine countable income according to the SSI-related MA policies in BEM 500, 501, 502, 503, 504, and 530, except as otherwise explained in BEM 165. RFT 242, pp. 1-2; BEM 165, pp. 8-10. The Department will also apply the deductions in BEM 540 (for children) and BEM 541 (for adults) to countable income to determine net income. BEM 165, pp. 8-10.

At the hearing, the Department representative testified that based on Petitioner and his wife's net income they were determined ineligible for MSP benefits under all MSP categories. The Department presented an SSI Related Medicaid (Adults) Income Budget for the ALMB category, as that program has the highest income limit. (Exhibit B). As discussed above, the evidence established that Petitioner and his wife have gross monthly RSDI/Social Security of [redacted] An unearned income general exclusion of $20

is available to Petitioner and his wife. BEM 503 (January 2023), pp. 29-30. Therefore, Petitioner's countable income is [redacted] Because the income is in excess of the $2,299.50 ALMB income limit, they are ineligible for MSP benefits.

The Department determined that Petitioner and his wife were eligible for MA under the Group 2 Aged Blind Disabled (G2S) program with a monthly deductible of $3,042. Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2022), p. 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, pp. 1-2; BEM 166, pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of two living in [redacted] County is $500 per month. RFT 200 (April 2017), pp. 1-2; RFT 240, p. 1. Thus, if Petitioner and his wife's net monthly income is in excess of the $500, they may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds $500. BEM 545, p. 1. The fiscal group's monthly excess income is called a deductible amount.

To meet a deductible, a MA client must report and verify allowable medical expenses (defined in Exhibit I) that equal or exceed the deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11. The Department is to add periods of MA coverage each time the group meets its deductible. BEM 545, p. 11. When old bills, personal care services, the cost of hospitalization (defined in Exhibit IC), or long-term care equals or exceeds the group's excess income for the month tested, income eligibility exists for the entire month. When old bills, personal care services, the cost of hospitalization, or long-term care do not equal or exceed the group's excess income for the month being tested, income eligibility begins either: the exact day of the month the allowable expenses exceed the excess income or the day after the day of the month the allowable expenses equal the excess income. BEM 545, p. 1.

At the hearing, the Department representative presented the SSI-Related Medicaid Income Budget to explain the $3,042 deductible calculation. (Exhibit A, p.79). As referenced above, the Department properly considered unearned income from RSDI/Social Security in the gross total amount of [redacted] The Department also properly applied a $20 unearned income exclusion to determine that Petitioner's group had net unearned income for MA purposes of [redacted]

The Department applied an insurance premium deduction of $349.40, which is based on Petitioner and his wife's responsibility for Medicare Part B premiums, each in the amount of $174.70. As discussed above, the Department acknowledged that it failed to consider an additional $18 insurance premium for monthly prescription insurance on Petitioner's behalf, which in this case, would lower the monthly deductible by $18. A review of the documents submitted by Petitioner in Exhibit 1 and Exhibit 2 fails to show sufficient

verification of monthly ongoing medical expenses to be applied as an ongoing medical expense deduction to net income for April 1, 2024, ongoing. There was no evidence that Petitioner was entitled to any additional deductions to income such as guardianship/conservator expenses or remedial services.

Upon review, although the Department properly determined that Petitioner and his spouse would be eligible for MA under the G2S subject to a monthly deductible, because of the error identified above with respect to the failure to include Petitioner's responsibility for the $18 prescription insurance premium, the Department failed to establish that the [redacted] deductible was properly calculated.

Additionally, with respect to the medical expenses submitted to show that the deductible was met, the Department representative testified that none of the medical expenses submitted by Petitioner in Exhibit 1 or Exhibit 2 were allowable old bills and thus, could not be used to meet the deductible or to establish income eligibility for MA. However, the Department did not identify the reason the expenses were not allowable. BEM 545 indicates that:

> Medical expenses listed under Medical Services in EXHIBIT I can be used as old bills if they meet all of the following criteria:
>
> - The expense was incurred in a month prior to the month being tested.
> - During the month being tested:
>   - The expense is/was still unpaid, and Liability for the expense still exists (existed).
> - A third-party resource is not expected to pay the expense.
> - The expense was not previously used to establish MA income eligibility.
> - The expense was one of the following:
>   - Incurred on a date the person had no MA coverage.
>   - Not an MA covered service.
>   - Provided by a non-MA enrolled provider.
> - A member of the medical group incurred the expense. This includes expenses incurred by a deceased person if both:
>   - The person was a medical group member's spouse or unmarried child under 18.
>   - The medical group member is liable for the expense.
>
> Note: An expense which has been turned over for collection is still a medical expense until the provider has written off the expense.

> You must give groups that have excess income the opportunity to verify old bills before you start an active deductible case.
>
> Use old bills in chronological order by date of service.

BEM 545, pp. 20-21. Because the Department failed to establish that it properly evaluated Petitioner's medical expenses and properly excluded them as old bills, the Department failed to show that Petitioner and his spouse did not incur sufficient expenses to meet their monthly deductible. Therefore, the Department failed to establish that it properly processed Petitioner's medical expenses and applied the expenses to the appropriate months as old bills, if allowable.

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 calculated Petitioner and his wife's MA deductible of [redacted] and processed medical expenses submitted to be applied to the monthly deductible.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to FAP and MSP and **REVERSED IN PART** with respect to MA.

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. Recalculate the G2S deductible for Petitioner and his wife effective April 1, 2024, ongoing, taking into consideration responsibility for any additional insurance premiums,

2. Process the medical expenses incurred and apply them as old bills, if allowable per the above referenced policy in BEM 545;

3. If eligible, provide MA coverage to Petitioner and his wife for any MA benefits that they were entitled to receive but did not, if any, from April 1, 2024, ongoing, and

4. Notify Petitioner in writing of its decision.

Zainab Baydoun

ZB/ml

Zainab A. Baydoun
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
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Interested Parties
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N Denson-Sogbaka
M Schaefer
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MOAHR

Via First Class Mail:

Authorized Hearing Rep.
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Petitioner
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