



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] MI [REDACTED]

Date Mailed: December 16, 2024
MOAHR Docket No.: 24-011713
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, a telephone hearing was held on November 21, 2024, from Detroit, Michigan. Petitioner appeared for the hearing with her sister-in-law [REDACTED] and represented herself. The Department of Health and Human Services (Department) was represented by Rodney Turner, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) 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 was previously receiving Supplemental Security Income (SSI) and thus, approved for MA for SSI Recipients. On an unverified date, Petitioner's SSI ended.
2. On or around June 10, 2024, the Department sent Petitioner an SSI-Terminated Medicaid Coverage letter, informing her that the Social Security Administration (SSA) notified the Department that her SSI benefit stopped. As a result, Petitioner was now receiving SSI-Terminated MA coverage, and the Department was required to determine if she was eligible for any other type of MA coverage by conducting a review. The letter further informed Petitioner that she was to complete and return the enclosed application (DHS 1426), the enclosed Health Care Coverage Supplemental Questionnaire (Questionnaire), and return all requested proofs listed

on the forms by July 10, 2024, otherwise her MA benefits would be cancelled. (Exhibit A, p. 7)

3. On or around June 30, 2024, Petitioner submitted an application for MA benefits. On the application, Petitioner reported that she has a disability and that although her husband is enrolled in Medicare, she did not have other health care coverage. (Exhibit A, pp. 8-13)
4. On or around October 7, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective November 1, 2024, she was approved for full coverage MA benefits and limited coverage MA benefits under the Plan First -PFFP category. (Exhibit A, pp. 14-17)
5. On or around October 14, 2024, Petitioner requested a hearing disputing the Department's actions regarding the MA eligibility determination. (Exhibit A, pp. 3-4)
6. On or around October 24, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice advising that although Petitioner was approved for MA with a deductible effective November 1, 2024, the Department incorrectly applied an old medical expense to Petitioner's MA case which showed that Petitioner met her deductible for November 2024. The Notice advised Petitioner that beginning December 1, 2024, her MA deductible would be \$1,219 monthly. (Exhibit A, pp. 21-24)

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.

In this case, Petitioner disputed the Department's determination that she was eligible for MA under a deductible based program. The Department representative testified that after processing Petitioner's application, it determined that Petitioner continued to be eligible for MA under the Group 2 Aged, Blind, Disabled (G2S) program subject to a monthly deductible of \$1,219 effective December 1, 2024.

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.

At the hearing, the Department representative provided an explanation for the calculation of the \$1,219 deductible under the G2S category. However, there was also some discussion regarding Petitioner's potential eligibility for MA under the HMP. Petitioner testified that she is under age 64 and is not enrolled in Medicare. She testified that her husband is enrolled in Medicare and was also approved for Medicare Savings Program (MSP) benefits where the State of Michigan is now paying his Medicare Part B premiums. However, the Department could not explain whether it considered Petitioner's eligibility for HMP. Although Petitioner was previously receiving SSI, Petitioner testified that her SSI was terminated after she got married in August 2023 and the Social Security Administration began counting her husband's income in her eligibility for SSI. The Department did not present any evidence that Petitioner was enrolled in Medicare and thus, ineligible for HMP.

As referenced above, Department policy provides that persons may qualify under more than one MA category and federal law gives persons the right to the most beneficial category which is considered the category that results in eligibility, the least amount of excess income, or the lowest cost share. BEM 105, p.2. The Department must consider all of the MA category options in order for the client's right of choice to be meaningful. BEM 105, p.2.

Therefore, because the Department did not consider Petitioner's eligibility for HMP prior to approving her for MA under the G2S, and, because MA benefits under the HMP are potentially more beneficial than the limited coverage G2S, the Department failed to properly process Petitioner's MA benefits and determine her eligibility for all MA categories.

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 processed Petitioner's MA benefits.


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 MA eligibility under the most beneficial category, and consider her eligibility for HMP MA for December 1, 2024, ongoing;
2. If eligible, provide MA coverage to Petitioner under the most beneficial category, that she was entitled to receive but did not from December 1, 2024, ongoing; and
3. Notify Petitioner in writing of its decision.

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

Jeanenne Broadnax
Wayne-Taylor-DHHS
25637 Ecorse Rd.
Taylor, MI 48180

MDHHS-Wayne-18-Hearings@michigan.gov

Interested Parties

BSC4
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

██████████
██████████
██████████ MI ██████████