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GOVERNOR

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

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[REDACTED] MI [REDACTED]

Date Mailed: December 20, 2024
MOAHR Docket No.: 24-012025
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 on November 21, 2024, via teleconference. Petitioner was represented by Marianne Plant, his Authorized Hearing Representative (AHR). Tom Jones, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-22.

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) coverage?

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 an ongoing recipient of MA coverage. He was previously receiving MA coverage under the Disabled Adult Child (DAC) category, which ended in February 2024.
2. On October 2, 2024, MDHHS conducted a DAC MA Screening and determined that Petitioner was not eligible for DAC MA because his Supplemental Security Income (SSI) ended due to excess assets and not based on starting or increasing DAC Retirement, Survivors and Disability Insurance (RSDI) (Exhibit A, p. 6).
3. On October 23, 2024, Petitioner requested a hearing regarding the DAC MA determination (Exhibit A, pp. 3-4).

4. At the time of the hearing, Petitioner was receiving Group 2 Aged, Blind, Disabled (G2S) MA with a spenddown of \$1,323.00 per month, which was certified on November 18, 2024.

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).

Medicaid (MA) 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, MDHHS conducted a Disabled Adult Child (DAC) screening and determined that Petitioner was not eligible for DAC MA. Petitioner disputed this determination. At the time of the hearing, Petitioner was approved for Group 2 Aged, Blind, Disabled (G2S) MA with a monthly deductible. Petitioner disputed the determination regarding DAC MA, specifically. The determination regarding G2S MA was beyond the scope of this hearing.

MA includes several sub-programs or categories. BEM 105, p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* The terms Group 1 and Group 2 relate to financial eligibility factors. *Id.* For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. *Id.* The income limit, which varies by category, is for nonmedical needs such as food and shelter. *Id.* Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. *Id.* For Group 2, eligibility is possible even when net income exceeds the income limit. *Id.* This is because incurred medical expenses are used when determining eligibility for Group 2 categories. *Id.* Group 2 categories are considered a limited benefit because a deductible is possible. *Id.*

DAC MA is an SSI-related Group 1 MA category. BEM 158 (October 2024), p. 1. MA DAC is available to a person receiving disabled adult children's (DAC) (also called Childhood Disability Beneficiaries' or CDBs') RSDI benefits under section 202(d) of the Social Security Act if he or she:

1. Is age 18 or older; and
2. Received Supplemental Security Income (SSI); and
3. Ceased to be eligible for SSI on or after July 1, 1987, because he 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.

BEM 158 (October 2024), p. 1.

Prior to authorizing DAC MA eligibility, MDHHS must verify (i) the receipt of SSI on the basis of blindness or a disability; and (ii) the termination of SSI on or after July 1, 1987 because of entitlement to DAC RSDI benefits or an increase in such benefits. *Id.*

G2S MA is an SSI-related MA category available to a person who is aged (65 or older), blind, or disabled. BEM 166 (April 2017), p. 1. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. *Id.* If net income exceeds the Group 2 needs, MA eligibility is still possible with a deductible. *Id.* When assessing MA eligibility, the Department should consider an individual's eligibility for DAC MA before G2S eligibility. BEM 105, p. 5.

Here, MDHHS determined that Petitioner was not eligible for DAC MA because Petitioner's SSI benefits were terminated due to excess assets, not because he began receiving DAC RSDI benefits. AHR alleged that Petitioner should be eligible for DAC MA because he was receiving DAC RSDI benefits. AHR alleged that Petitioner did not pursue reinstatement of the SSI benefits because he began receiving RSDI. AHR provided a letter from the Social Security Administration (SSA) stating that Petitioner stopped receiving SSI benefits in February 2019 (Exhibit A, p. 9). The letter stated that Petitioner's resources exceeded the resource limit of \$2,000.00 (Exhibit A, p. 10). AHR also submitted a letter from SSA stating that Petitioner was intitled to monthly child's benefits from Social Security, beginning [REDACTED] 2019 (Exhibit A, p. 14). MDHHS confirmed with SSA that Petitioner's SSI benefits were terminated due to excess assets (Exhibit A, p. 21).

To be eligible for DAC MA, a person must be receiving DAC RSDI benefits *and* be eligible for SSI without such RSDI benefits. BEM 158, p. 1. Additionally, the receipt of DAC RSDI or increase in those benefits must be the reason that the person stopped being eligible for SSI. *Id.* Although Petitioner was receiving DAC RSDI benefits, it is not clear from the record that he would be eligible for SSI if he was not receiving DAC RSDI. Additionally, the reason he stopped receiving SSI was not because he started receiving DAC RSDI, but he became ineligible because of excess assets.

Accordingly, the record shows that MDHHS properly determined that Petitioner was not eligible for DAC MA when it conducted the eligibility screen. Additionally, MDHHS followed policy by verifying Petitioner's eligibility factors with SSA.

The Administrative Law Judge, based on the above Findings of Fact and [REDACTED]
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[REDACTED]
[REDACTED]

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Jinca Jordan
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[REDACTED]R).

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

Tracey Jones
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Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

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Via-First Class Mail:

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