



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

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██████████, MI ██████████

Date Mailed: January 15, 2025
MOAHR Docket No.: 24-012265
Agency No.: ██████████
Petitioner: ██████████ ██████████

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 December 19, 2024. Petitioner appeared and requested to be represented by their daughter in law, ██████████ ██████████ (BB), because Petitioner has a difficult time speaking due to medical issues. The Department of Health and Human Services (Department) was represented by Yvette Rutledge, Eligibility Specialist, and Melissa Bennett, Eligibility Specialist. The Department had no objection to BB representing Petitioner during the hearing and the undersigned Administrative Law Judge found good cause to allow BB to do so.

ISSUE

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

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 a Medicare recipient, married to ██████████ (Spouse), and lives in Wayne County.
2. Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$921.70 per month and Spouse receives RSDI income of \$2,046.70 per month. Petitioner and Spouse each pay \$174.70 per month for Medicare Part B premiums.

3. On September 18, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner for Plan First Family Planning (PFFP) MA effective October 1, 2024. (Exhibit A, pp. 14 – 15).
4. On October 1, 2024, the Department sent Petitioner a HCCDN that approved Petitioner for MA subject to a monthly deductible of \$2,097 effective October 1, 2024 through October 31, 2024. (Exhibit A, pp. 8 – 9).
5. On October 31, 2024, the Department received a request for hearing from Petitioner, disputing Petitioner's MA deductible amount. Petitioner reported that she and Spouse receive RSDI income and that Spouse also receives pension income. (Exhibit A, pp. 4 – 5).
6. On November 14, 2024, the Department sent Petitioner a HCCDN that approved Petitioner for MA subject to a monthly deductible of \$2,097 effective November 1, 2024 ongoing.

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 that she was not eligible for full coverage MA, and the amount of her monthly deductible. The Department approved Petitioner for Plan First Family Planning (PFFP) and MA subject to a monthly deductible of \$2,097 per month.

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. Because Petitioner is a Medicare recipient and is not the caretaker of a minor child, Petitioner is eligible for MA under only SSI-related categories.

Based on Petitioner's circumstances, she was potentially eligible for AD-Care MA. The AD-Care program is a Group 1, full-coverage, SSI-related MA program for individuals who are income-eligible based on their MA fiscal group size. BEM 163 (July 2017), p. 1. Net income for this program cannot exceed 100% of the Federal Poverty Level (FPL) for the fiscal group size. BEM 163, p. 1. For SSI-related MA purposes, married adults are a fiscal group size of two. BEM 211 (October 2023), p. 8. Petitioner is married; therefore, she is a fiscal group of two. Because she is a fiscal group of two, to be income eligible for this program, Petitioner's group's monthly income would have had to be \$1,703.50 or less. RFT 242 (April 2024); 89 Fed Reg 2961.

In this case, BB and the Department agree that Petitioner and Spouse receive RSDI income in the total amount of \$2,967 per month. The total gross amount of RSDI is counted as unearned income but, for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 503 (April 2024), pp. 29 – 31; BEM 541 (January 2024), p. 3; see also BEM 163. Petitioner's RSDI of \$2,967, reduced by \$20, equals \$2,947 in net unearned income. Petitioner, who does not have earned income, expenses related to non-SSI children, or a court-appointed guardian and/or conservator, is not eligible for any additional deductions. BEM 541, pp. 1, 3. Therefore, Petitioner's countable net income was \$2,947. Because that is more than the limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

Clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for Group 2 SSI-related (G2S) MA, an SSI-related MA program which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible for G2S MA is equal to a) the amount of the individual's SSI-related net income, b) minus allowable needs deductions set forth in BEM 544, c) minus the applicable Group 2 MA protected income level (PIL). BEM 166, p. 2; BEM 541, pp. 1, 3 – 4; BEM 544 (January 2020). The PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides and the client's fiscal MA group size. BEM 544, p. 1. The PIL for Wayne County, where Petitioner resides, is \$500 for a two-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

In this case, the Department presented a budget showing how Petitioner's G2S deductible was calculated. (Exhibit A, p. 19). From Petitioner's net income of \$2,947, the Department subtracts allowable needs deductions, consisting of health insurance premiums of the MA recipient and remedial services for residents of adult foster care (AFC) or homes for the aged (HA). BEM 544, pp. 1 – 2. BB testified that Petitioner does not live in AFC or HA and no deduction for remedial services was included. The Department testified, and BB agreed, that Petitioner and Spouse each pay their own Part B Medicare premiums, and a deduction of \$349.40 was included on the budget for their premiums. BB also testified that Spouse pays an additional \$120 per month for health insurance, however there was no evidence that the premium was disclosed on

the redetermination application. Therefore, when the reported health insurance premiums for Petitioner's and Spouse's Medicare Part B were subtracted from the net income of \$2,947, Petitioner's countable net income was properly reduced to \$2,597. The Department then deducted Petitioner's \$500 PIL from Petitioner's \$2,597 countable net income, which left \$2,097. This amount becomes the deductible amount. Therefore, the Department properly determined Petitioner's monthly deductible in the amount of \$2,097 effective October 1, 2024.

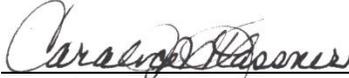
The Department testified that no additional income or expense information for Spouse, other than the pre-filled information, was provided by Petitioner on the redetermination application. BB was advised during the hearing that Petitioner may report Spouse's additional health insurance premiums to the Department for reconsideration of Petitioner's ongoing monthly MA 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 acted in accordance with Department policy when it approved Petitioner for MA with a monthly deductible of \$2,097 effective October 1, 2024.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

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

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

MDHHS-Wayne-18-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
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Via-First Class Mail :

Petitioner

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