



GRETCHEN WHITMER
GOVERNOR

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

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DIRECTOR

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Date Mailed: December 12, 2024
MOAHR Docket No.: 24-012318
Agency No.: ██████████
Petitioner: ██████████

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 December 3, 2024, via teleconference. Petitioner appeared and represented herself. Jerica Hall, Family Independence Manager, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS). MDHHS’ Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-28.

ISSUES

1. Did Petitioner present a triable issue regarding her Medicaid (MA) coverage?
2. Did MDHHS properly determine Petitioner’s eligibility for Medicare Savings Program (MSP) coverage?
3. Did MDHHS properly determine Petitioner’s eligibility for Food Assistance Program (FAP) 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 an ongoing recipient of MA, MSP and FAP.
2. On October 11, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that her FAP benefit rate had decreased to \$██████ per month, effective ████████ 2024 ongoing (Exhibit A, p. 5).

3. On October 11, October 12, and October 17, 2024, MDHHS sent Petitioner Health Care Coverage Determination Notices indicating that Petitioner was not eligible for MSP coverage, effective October 1, 2024 ongoing (Exhibit A, p. 12).
4. On October 23, 2024, Petitioner requested a hearing (Exhibit A, p. 4).

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)

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. 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 this hearing regarding her MA coverage. At the hearing, MDHHS confirmed that she was active for full-coverage MA on a separate case number. State actions which entitle a client to a hearing include a denial of an application, a reduction in the amount of program benefits, a suspension or termination of program benefits, restrictions under which benefits are provided, or a delay of any action beyond the standard of promptness. BAM 600 (June 2024), p. 5. Because there had been no change, reduction or termination in Petitioner's MA coverage, Petitioner failed to present a triable issue to address at the hearing.

Therefore, Petitioner's Request for Hearing regarding MA is **DISMISSED** for lack of jurisdiction.

Medicare Savings Program (MSP)

The Medicare Savings Program (MSP) is a state program administered by MDHHS in which the state pays an eligible client's Medicare premiums, coinsurances, and deductibles, with coverage depending on the MSP category that the client is eligible to receive based on the client's income. BEM 165 (October 2022), pp 1-2; BAM 810 (January 2020), p. 1. All eligibility factors for the program must be met in the calendar month being tested. BEM 165, p. 2. There are three MSP categories: (1) QMB (Qualified Medicare Beneficiary), which pays for a client's Medicare premiums (both Part A, if any, and Part B), Medicare coinsurances and Medicare deductibles; (2) Specified Low-Income Medicare Beneficiaries (SLMB), which pays for a client's Medicare Part B premiums; and (3) Additional Low Income Medicare Beneficiaries

(ALMB), which pays for a client's Medicare Part B premiums when funding is available. BEM 165, pp. 1-2.

MDHHS sent Petitioner three notices indicating that she was no longer eligible for MSP benefits. The reasons given for the termination was that she did not meet the program's basic requirements and that she had not applied for the assistance. At the hearing, MDHHS could not explain why she was denied MSP benefits but believed that it was an error involving separate internal case numbers. MDHHS confirmed that Petitioner was active for MSP coverage on her SSI-related MA case, however, the coverage ended November 30, 2024. MDHHS did not provide any evidence to show that Petitioner no longer met the basic eligibility requirements for the program.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Petitioner's MSP coverage.

The Food Assistance Program (FAP)

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, MDHHS determined that Petitioner was eligible for \$██████ in FAP benefits for November 2024 and \$██████ in FAP benefits for December 1, 2024 ongoing. Petitioner disputed the calculation of her FAP benefit rate.

To determine whether MDHHS properly calculated Petitioner's FAP benefit amount, it is necessary to evaluate the household's countable income. BEM 500 (April 2022), pp. 1-5.

For November 2024, MDHHS determined that Petitioner received \$██████ per month in countable unearned income, which represented Petitioner's monthly Retirement, Survivors, and Disability Insurance (RSDI) payment and her Supplemental Security Income (SSI) (Exhibit A, p. 21). Petitioner did not dispute this amount.

After income is calculated, MDHHS must determine applicable deductions. Petitioner's FAP group is considered a Senior/Disabled/Disabled Veteran (SDV) group. BEM 550 (February 2024), p. 1. SDV groups are eligible for the following deductions:

- Earned income deduction
- Dependent care expense
- Court ordered child support and arrearages paid to non-household members
- Medical expenses for SDV members that exceed \$35
- Standard deduction based on group size

- Excess shelter deduction

BEM 550, p. 1; BEM 554 (July 2024), p. 1; BEM 556 (May 2024), p. 3.

No evidence was presented that Petitioner had earned income, dependent care expenses, verified medical expenses or court-ordered child support. MDHHS budgeted the standard deduction for a household of one, which was \$[REDACTED]. RFT 255 (October 2024), p. 1. To calculate Petitioner's Adjusted Gross Income (AGI), the deductions were subtracted from the countable income of \$[REDACTED] to equal \$[REDACTED].

Next, MDHHS is required to determine the excess shelter deduction. MDHHS budgeted \$[REDACTED] for Petitioner's excess shelter deduction. This was based on housing expenses of \$[REDACTED]. Petitioner did not dispute this amount. Additionally, MDHHS budgeted the heat and utility standard of \$[REDACTED], to equal a total shelter amount of \$[REDACTED] (Exhibit A, p. 25). To determine the excess shelter deduction, 50% of the AGI is subtracted from the total shelter amount. Subtracting 50% of Petitioner's AGI, or \$[REDACTED], from Petitioner's total shelter amount of \$[REDACTED] equals \$[REDACTED]. Therefore, MDHHS properly determined Petitioner's excess shelter deduction of \$[REDACTED].

To determine Petitioner's net income for FAP for November 2024, MDHHS subtracted the excess shelter deduction of \$[REDACTED] from Petitioner's AGI of \$[REDACTED] to equal \$[REDACTED]. A household of one with a net income of \$[REDACTED] is entitled to receive \$[REDACTED] per month in FAP benefits. RFT 260 (October 2024), p. 18. Thus, MDHHS properly determined Petitioner's FAP benefit rate for November 2024.

However, for December 2024, MDHHS failed to properly include a medical deduction for Petitioner's Medicare Part B premium (Exhibit A, p. 26). Based on the testimony provided at the hearing, the State was previously paying for Petitioner's Medicare Part B premium because she was receiving MSP coverage. MDHHS terminated Petitioner's MSP coverage, effective November 30, 2024, and therefore, Petitioner would be responsible for paying the Medicare Part B premium if her MSP coverage is not reinstated. Because this expense was not considered in the December 1, 2024 FAP budget, MDHHS failed to show that it properly determined her FAP benefit rate for December 1, 2024 ongoing.

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 MDHHS acted in accordance with Department policy when it determined Petitioner's FAP benefit rate for November 2024, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's FAP benefit rate from December 1, 2024 ongoing.

DECISION AND ORDER

Petitioner's Request for Hearing regarding MA is **DISMISSED** for lack of jurisdiction.

MDHHS' decision regarding Petitioner's MSP coverage is **REVERSED**.

MDHHS' decision regarding Petitioner's FAP benefit rate for November 2024 is **AFFIRMED**.

MDHHS' decision regarding Petitioner's FAP benefit rate for December 2024 ongoing is **REVERSED**.

MDHHS 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 eligibility for MSP and FAP, from December 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial category of MSP coverage that she is eligible to receive from December 1, 2024 ongoing;
3. Issue supplemental payments to Petitioner for any FAP benefits that she was eligible to receive, but did not, from December 1, 2024 ongoing; and
4. Notify Petitioner of its decisions in writing.

LJ/pt



Linda Jordan
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
Jerica Hall
Montcalm County DHHS
609 North State Street
PO Box 278
Stanton, MI 48888
MDHHS-Montcalm-Hearings@michigan.gov

Interested Parties

BSC3
M Holden
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N Denson-Sogbaka
M. Schaefer
EQAD
MOAHR

Via-First Class Mail:

Petitioner

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