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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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████████████████████, MI ██████████

Date Mailed: December 16, 2024
MOAHR Docket No.: 24-012536
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via Microsoft Teams on December 11, 2024. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Karen Smalls, supervisor.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's Medical Assistance (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. As of August 2024, Petitioner was an unmarried Medicaid and Medicare recipient over 65 years old, not pregnant, and not a caretaker to minor children.
2. Beginning August 2, 2024, Petitioner received respective gross biweekly wages of \$█████ \$█████ \$█████ and \$█████
3. As of August 2024, Petitioner received \$1,117 in gross Retirement, Survivors, Disability Insurance (RSDI).
4. On September 26, 2024, MDHHS determined Petitioner to be eligible for the limited coverage MA category of Plan First beginning October 2024.

5. On October 31, 2024, Petitioner requested a hearing to dispute the termination of Medicaid benefits.

CONCLUSIONS OF LAW

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of full Medicaid benefits. Exhibit A, pp. 3-5. A Health Care Coverage Determination Notice dated September 26, 2024, stated that Petitioner was eligible only for the limited-coverage MA category of Plan First beginning October 2024. Exhibit A, pp. 9-12. To determine Petitioner's MA eligibility, consideration of MA categories is necessary.

Medicaid is also known as MA. BEM 105 (October 2023) p. 1. The MA program includes several sub-programs or categories. *Id.* 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.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.¹ *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

MA categories are also split into categories of Group 1 and Group 2. *Id.*, p. 1. For Group 1, a group's net income must be at or below a certain income level for eligibility. *Id.* Group 2 categories are considered a limited benefit (not limited coverage) because a deductible is possible. *Id.*

It was not disputed that Petitioner was over the age of 65 years, not pregnant, a Medicare recipient, and not a caretaker to minor children. As a non-pregnant and non-caretaker Medicare recipient above the age of 21, Petitioner is ineligible for all full-coverage MAGI-related categories. As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA under the SSI-related Group 1 category of

¹ Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

Aged/Disability-Care (AD-Care). AD-Care policies are found in BEM 163. MDHHS implied that Petitioner was ineligible for AD-Care due to excess income.²

At all relevant times, Petitioner did not reside with a spouse. For purposes of AD-Care, Petitioner's group size is one. BEM 211 (October 2023) p. 8.

For AD-Care, MDHHS is to determine countable income according to SSI-related MA policies in BEM 500, 501, 502, 503, 504 and 530, except for RSDI. BEM 163 (July 2017) p. 2. For RSDI, MDHHS is to count gross RSDI from the benefit month except from January through March in which gross RSDI from the most recent December is counted. *Id.* For AD-Care, MDHHS is to apply the deductions in BEM 540 (for children) or 541 (for adults). *Id.*

Petitioner received RSDI of \$1,117. For SSI-Related MA categories, a \$20 disregard is given for unearned income. BEM 541 (July 2019) p. 3. Applying the disregard results in countable unearned income of \$1,097.

MDHHS gives AD-Care budget credits for employment income, guardianship expenses, and/or conservator expenses. Only an employment income deduction was applicable.

MDHHS presented testimony that Petitioner submitted verification of the following gross biweekly wages beginning August 2, 2024: \$█████ \$█████ \$█████ and \$█████ For SSI-Related MA, MDHHS adds two biweekly amounts to calculate the monthly income. Selecting the most favorable amounts for Petitioner (\$390 and \$520) would result in countable monthly income of \$910. For SSI-Related MA, MDHHS applies a \$65 + 50% deduction which would result in countable net wages of \$422 (dropping cents). Adding the countable earned and unearned income results in a total income of \$1,519.

Net income for AD-Care cannot exceed 100% of the federal poverty level BEM 163 (July 2017) p. 2. In 2024, the annual federal poverty level for a 1-person group residing in Michigan is \$15,060.³ Dividing the annual FPL by 12 results in a monthly income limit of \$1,255. The same income limit is found in policy.⁴ RFT 242 (April 2023) p. 1. Petitioner's countable income exceeds the AD-Care income limit. Given the evidence, MDHHS properly determined Petitioner to be ineligible for MA under any Group 1 MA category other than Plan First.⁵

² The notice approving Petitioner for Plan First did not state why Petitioner was ineligible for other MA categories. Though excess income is one explanation, a more likely explanation may be excess assets. The evidence suggested that Petitioner had countable assets exceeding the \$2,000 asset limit (see BEM 400). Furthermore, excess assets would explain why Petitioner was not found eligible for Medicaid subject to a monthly deductible. Because insufficient evidence of assets was presented, the analysis will focus on income eligibility for AD-Care.

³ <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

⁴ MDHHS policy lists an income limit of \$1,275 while noting the \$20 disregard is factored into the limit.

⁵ Presumably, Petitioner's group's income is within the income guidelines to receive the limited coverage MA category of Plan First. The Plan First income limit is 195% of the FPL. BEM 124 (July 2023) p. 2.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible only for limited-coverage MA category of Plan First beginning October 2024. The actions of MDHHS are **AFFIRMED**.

CG/nr



Christian Gardocki
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

Tracey Jones

Oakland County Southfield District III

25620 W. 8 Mile Rd

Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

BSC4

M. Schaefer

EQAD

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Via-First Class Mail :

Petitioner

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