



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: December 19, 2024
MOAHR Docket No.: 24-012647
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 12, 2024; the parties participated by telephone. Petitioner participated and was unrepresented. ██████████ ██████████ Petitioner’s sister, testified on behalf of Petitioner.¹ The Michigan Department of Health and Human Services (MDHHS) was represented by Princess Ogundipe, supervisor.

ISSUES

The first issue is whether MDHHS properly terminated Petitioner’s Medicaid eligibility.

The second issue is whether MDHHS properly later denied Petitioner’s application for Medicaid.

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 July 2024, Petitioner was disabled, 19-65 years old, a Medicare recipient, not a caretaker to minor children, unmarried, and not pregnant.
2. As of July 2024, Petitioner was an ongoing Medicaid recipient with a benefit period certified through September 2024.

¹ During the hearing, Petitioner verbally requested her sister to be her authorized hearing representative (AHR). Petitioner’s request was denied because it was not written (see BAM 600).

3. On July 5, 2024, MDHHS mailed Petitioner a Redetermination form to continue Medicaid.
4. As of September 2024, Petitioner received ongoing gross monthly RSDI of \$1,196 which was deposited into a checking account.
5. On September 5, 2024, MDHHS robocalled Petitioner warning that Petitioner failed to return the MA Redetermination form.
6. On September 19, 2024, MDHHS terminated Petitioner's Medicaid eligibility beginning October 2024 due to a failure to return redetermination documents.
7. On September 21, 2024, MDHHS robocalled Petitioner warning that the Redetermination form sent in July 2024 was not yet returned.
8. On September 26, 2024, MDHHS verbally advised Petitioner that the Redetermination form sent in July 2024 was not yet returned.
9. As of October 1, 2024, Petitioner had not returned to MDHHS redetermination documents.
10. On an unspecified date in October 2024, MDHHS reopened Petitioner's eligibility for Medicaid.
11. On an unspecified date, MDHHS determined Petitioner had the following countable assets during October 2024: an IRA of \$ [REDACTED] savings account worth \$ [REDACTED] and a checking account worth \$ [REDACTED]
12. On November 12, 2024, Petitioner's savings account balance was \$ [REDACTED] and her countable checking account balance was \$ [REDACTED]
13. On an unspecified date, MDHHS approved Petitioner for the limited coverage MA category of Plan First and denied full-coverage Medicaid benefits due to excess assets.
14. On November 12, 2024, Petitioner requested a hearing to dispute the termination and subsequent denial of MA benefits. Petitioner also disputed Food Assistance Program (FAP) eligibility.
15. On December 12, 2024, Petitioner verbally withdrew her dispute concerning FAP benefits.

CONCLUSIONS OF LAW

The 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. MDHHS administers the FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. FAP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute FAP eligibility. Exhibit A, p. 6. During the hearing, Petitioner testified that a hearing disputing FAP eligibility was no longer needed. MDHHS had no objections to the partial withdrawal of the hearing request. Based on Petitioner's withdrawal, Petitioner's dispute concerning FAP benefits will be dismissed.

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 BAM, BEM, and RFT

Petitioner also requested a hearing to dispute Medicaid eligibility.² Exhibit A, p. 6. MDHHS took two adverse actions against Petitioner; the first concerned a closure of Medicaid. A Health Care Coverage Determination Notice dated September 19, 2024, stated that MDHHS terminated Petitioner's Medicaid eligibility beginning October 2024 due to a failure to return redetermination documents. Exhibit A, pp. 36-38.

For all programs, MDHHS must periodically redetermine or renew an individual's eligibility for active programs. BAM 210 (July 2024) p. 1. The process includes a thorough review of all eligibility factors.³ *Id.* For all programs, MDHHS mails a redetermination packet to the client three days prior to the negative action cut-off date in the month before the redetermination is due. *Id.*, p. 8. A Redetermination form is considered complete when all sections are completed. *Id.* p. 11. MDHHS sends timely notice of MA benefit closure if documents are not timely returned. *Id.*, p. 17. MA benefits stop at the end of the benefit period unless a renewal is completed, and a new benefit period is certified. *Id.*, p. 4.

² During the hearing, Petitioner's Medicare Savings Program (MSP) eligibility was discussed. The evidence supported that MDHHS terminated Petitioner's MSP eligibility beginning October 2024 and restarted benefits beginning November 2024. Ultimately, this decision will not address Petitioner's MSP eligibility for October 2024 because Petitioner's hearing request only disputed Medicaid. If Petitioner disputes MSP from October 2024, she may separately request a hearing.

³ For Medicaid, an annual review of all eligibility programs is also referred to as a "renewal". BAM 210 (October 2022) p. 1.

MDHHS mailed Petitioner a Redetermination form on July 5, 2024. Exhibit A, pp. 39-47. It was not disputed that Petitioner failed to return the Redetermination form to MDHHS before the end of September 2024: the last month in Petitioner's MA benefit period.

Petitioner never denied failing to return the Redetermination form to MDHHS. Instead, Petitioner claimed that MDHHS specialists advised her that the form was not needed to continue Medicaid benefits. Petitioner's testimony that she was told by MDHHS that a Redetermination form was not needed to continue benefits was not corroborated. It was also inconsistent with comments documented by MDHHS that Petitioner received robocalls on September 5, 2024, and September 21, 2024, warning Petitioner that a Redetermination form was needed. Exhibit A, pp. 58-59. MDHHS additionally documented that Petitioner was verbally advised on September 26, 2024, to return the Redetermination form. *Id.*

The evidence established that MDHHS properly mailed Petitioner a Redetermination form, and that Petitioner failed to return it before the end of the benefit period. Accordingly, MDHHS properly terminated Petitioner's Medicaid eligibility beginning October 2024.

The last MDHHS action disputed by Petitioner concerned a restarting of Petitioner's Medicaid beginning October 2024. MDHHS did not explain why it considered Petitioner's Medicaid eligibility after it terminated benefits; given that MDHHS did reconsider Petitioner's MA eligibility, it will be accepted that Petitioner reapplied for Medicaid on some unspecified date in October 2024. MDHHS testified it denied Petitioner's application due to excess assets.

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.⁴ *Id.*

Assets must be considered in determining SSI-Related MA eligibility. BEM 400 (October 2020) p. 1 and 6. SSI-Related Medicaid eligibility considers assets. *Id.*, p. 3. Countable assets include cash. *Id.*, p. 2. There is no asset test for MAGI-related categories. *Id.*, p. 3.

As of the disputed benefit month, Petitioner was disabled, 19-65 years old, a Medicare recipient, not a caretaker to minor children, unmarried, and not pregnant. Petitioner's circumstances render her ineligible for all MAGI Medicaid categories. As a disabled

⁴ Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

individual, Petitioner is potentially eligible for MA only under SSI-related categories. Thus, cash assets are relevant.

MDHHS is to not count funds treated as income by a program as an asset for the same month for the same program. BEM 400 (January 2021) p. 23. Asset eligibility exists when the asset group's countable assets do not exceed the applicable asset limit at least one day during the month being tested. *Id.*, p. 7.

As of October 2024, Petitioner was unmarried. As an unmarried individual, Petitioner's SSI-related MA group is one person. BEM 211 (July 2019) p. 8. For a one-person SSI-related MA group, the asset limit is \$2,000. BEM 400 (January 2021) p. 9.

MDHHS denied ongoing Medicaid for Petitioner based on liquid assets totaling \$█████████ Exhibit A, p. 50. The assets derived from an IRA valued at \$█████████ a savings account balance of \$█████████ and a checking account balance of \$█████████ Exhibit A, p. 51. During the hearing, MDHHS acknowledged that it did not utilize Petitioner's lowest countable asset date to calculate asset eligibility. MDHHS's acknowledgement was consistent with Petitioner's bank statement listing respective savings and checking account balances of \$█████████ and \$█████████ as of November 12, 2024. Exhibit A, p. 8. After factoring that MDHHS is to disregard Petitioner's income from RSDI, Petitioner's countable assets would be even lower.

Given the evidence, MDHHS failed to accurately calculate Petitioner's assets. As a remedy, Petitioner is entitled to a reprocessing of Medicaid beginning October 2024.

⁵ Documents supporting the asset amounts were admitted as Exhibit A, pp. 7-10.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Petitioner withdrew the dispute over FAP eligibility. Concerning FAP eligibility, Petitioner's hearing request dated November 12, 2024, is **DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's Medicaid eligibility beginning October 2024. Concerning the termination of Medicaid beginning October 2024, the actions taken by MDHHS are **AFFIRMED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly determined Petitioner's Medicaid eligibility. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reprocess Petitioner's Medicaid eligibility beginning October 2024 subject to the finding that it improperly failed to count assets using the lowest asset amount date; and
- (2) Issue notice and supplements, if any, in accordance with policy.

Concerning the restarting of Petitioner's Medicaid eligibility beginning October 2024, the actions taken by MDHHS are **REVERSED**.

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

Jared Ritch

Oakland County Pontiac-Woodward Dist.

51111 Woodward Ave 5th Floor

Pontiac, MI 48342

MDHHS-Oakland-District-IV-Hearings@michigan.gov

Interested Parties

BSC4

M. Schaefer

EQAD

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]

[REDACTED]

[REDACTED], MI [REDACTED]