GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

[redacted]
[redacted]
[redacted], MI [redacted]

Date Mailed: December 26, 2024
MOAHR Docket No.: 24-012822
Agency No.: [redacted]
Petitioner: [redacted]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On November 22, 2024, Petitioner [redacted] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on December 19, 2024. Public assistance hearings are held 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented himself. Respondent Michigan Department of Health and Human Services (Department) had Hearing Facilitator DeVona Gilbert appear as its representative. Neither party had any additional witnesses.

Sworn testimony was provided by both parties, and one exhibit was admitted into evidence. A 33-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUES

Did the Department properly determine Petitioner's Medicaid 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 married.

2. Petitioner is a resident of Saginaw County.

3. Petitioner is aged and/or disabled.

4. Petitioner received a gross benefit of [redacted] per month from Social Security RSDI in 2024.

5. Petitioner's spouse received a gross benefit of [redacted] per month from Social Security RSDI in 2024.

6. Petitioner and his spouse have Medicare coverage.

7. On September 30, 2024, Petitioner submitted a redetermination form to the Department to renew his Medicaid eligibility.

8. The Department determined that Petitioner and his spouse were eligible for type ALMB Medicare Savings Program (MSP) coverage, effective November 1, 2024. The Department determined that Petitioner and his spouse were ineligible for full-coverage Medicaid due to their income. The Department determined that Petitioner and his spouse were eligible for Medicaid with a monthly deductible of $1,754.00, effective November 1, 2024.

9. On October 1, 2024, the Department mailed a health care coverage determination notice to Petitioner to notify him that he and his spouse were eligible for type ALMB MSP coverage, effective November 1, 2024.

10. Petitioner requested a hearing to dispute the Department's decision to find Petitioner and his spouse ineligible for full-coverage Medicaid.

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 is known as Medical Assistance. The Medical Assistance 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, Petitioner is disputing the Department's decision because the Department found Petitioner ineligible for full-coverage Medicaid. In order for a client to be eligible for full-coverage Medicaid through the Healthy Michigan Plan, the client must not qualify for Medicare. BEM 137 (January 1, 2024), p. 1. Petitioner and his spouse qualified for Medicare, so they were ineligible for full-coverage Medicaid through the Healthy Michigan

Plan. Therefore, the Department properly found Petitioner and his spouse ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

Another program that provides full-coverage Medicaid is the AD Care program. In order for a client to be eligible for full-coverage Medicaid through the AD Care program, the client must be aged or disabled, and the client's group's net income must not exceed 100% of the Federal Poverty Level (FPL). BEM 163 (July 1, 2017), p. 1-2. For AD Care, the client's group size consists of the client and the client's spouse. BEM 211 (October 1, 2023), p. 8. In this case, Petitioner's group consists of two because Petitioner has a spouse. The FPL for a household size of two in 2024 is $20,440.00. 89 FR 2961 (January 17, 2024). The applicable FPL is equal to a monthly income of $1,703.33.

When group members receive income from Social Security RSDI, the gross amount received from RSDI is countable. BEM 163 at 2. However, $20.00 is disregarded from unearned income such as Social Security RSDI income. BEM 541 (January 1, 2024), p. 1. In this case, Petitioner and his spouse received a combined total of [redacted] per month from Social Security RSDI. After the $20.00 disregard, the countable amount of their Social Security RSDI is [redacted] per month.

Although the income limit for AD Care states that it is based on "net income," this refers to gross income after allowable deductions. BEM 163 at 2. The allowable deductions are set forth in BEM 541 for adults, and Petitioner and his spouse were not eligible for any of the allowable deductions other than the $20.00 unearned income disregard. Petitioner and his spouse's net income exceeded the limit for them to be eligible for full-coverage Medicaid through the AD Care program because the income limit was $1,703.33 per month, and their income was [redacted] per month. Therefore, the Department properly found Petitioner and his spouse ineligible for full-coverage Medicaid through the AD Care program.

Since the Department found Petitioner and his spouse ineligible for full-coverage Medicaid through the AD Care program, the Department determined that the best Medicaid coverage that they were eligible for was Group 2 Medicaid. Group 2 Medicaid is Medicaid with a monthly deductible, and it is available to clients who are aged or disabled and ineligible for full-coverage Medicaid through the AD Care program. BEM 166 (April 1, 2017), p. 1. Group 2 Medicaid provides coverage for any month that (a) an individual's countable income does not exceed the individual's needs as defined in policy, or (b) an individual's allowable medical expenses equal or exceed the amount of the individual's income that exceeds the individual's needs. *Id.* at 2.

To determine whether an individual's income exceeds his needs, the Department determines the individual's countable income and needs. Countable income is the same as the income that is used to determine eligibility for full-coverage Medicaid through the AD Care program. Needs consist of a protected income limit set by policy, the cost of health insurance premiums, and the cost of remedial services. BEM 544 (January 1, 2020), p. 1-3.

The Department calculated Petitioner and his spouse's excess income by subtracting the protected income limit from their countable monthly income. As stated above, their countable monthly income was [redacted] The protected income limit for a household of two in Saginaw County was $516.00 per month. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). There was no evidence that Petitioner and his spouse paid any health insurance premiums or allowable remedial care expenses. Thus, their excess income was [redacted] minus $516.00, which equals [redacted] per month. The Department correctly determined that their excess income was [redacted] Thus, the Department properly determined their deductible amount when the Department determined that it was [redacted]

Since Petitioner has a deductible, Petitioner and his spouse will only be eligible for Medicaid coverage for any month that their allowable medical expenses equal or exceed their deductible amount. Petitioner did not present any evidence to establish that they had allowable medical expenses that equaled or exceeded their deductible amount. If Petitioner and his spouse have outstanding medical expenses that equal or exceed their deductible amount, they should provide documentation of those expenses to the Department to obtain Medicaid coverage.

Regarding MSP coverage, the Department found that the best MSP coverage that Petitioner and his spouse were eligible for was type ALMB MSP coverage. There are three basic types of MSP coverage: QMB, SLMB, and ALMB. BEM 165 (July 1, 2024), p. 1. QMB pays for Medicare premiums, Medicare coinsurances, and Medicare deductibles. *Id.* at 2. SLMB only pays Medicare Part B premiums. *Id.* ALMB only pays Medicare Part B premiums if there is sufficient funding available. *Id.* Thus, QMB is the best coverage, SLMB is the next best coverage, and ALMB is the lowest level of coverage.

The type of MSP coverage a client is eligible for is determined based on income. The income limit for QMB is the same as for full-coverage Medicaid through the AD Care program. *Id.* at 1. The income limit for SLMB is 120% of the FPL. *Id.* The income limit for ALMB is 135% of the FPL. Thus, the highest income limit for MSP coverage is 135% of the FPL. Petitioner and his spouse's income was between 120% and 135% of the FPL. Thus, the Department properly determined that Petitioner and his spouse were eligible for type ALMB MSP coverage.

For these reasons, the Department properly determined Petitioner's Medicaid eligibility when the Department determined that the best Medicaid coverage that Petitioner was eligible for was Medicaid with a monthly deductible and type ALMB MSP.

DECISION AND ORDER

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 its policies and the applicable law when it determined Petitioner's Medicaid eligibility.

IT IS ORDERED the Department's decision is **AFFIRMED**.

JK/pe

Jeffrey Kemm
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
Elisa Daly
Saginaw County DHHS
411 East Genesee
P.O. Box 5070
Saginaw, MI 48607
MDHHS-Saginaw-Hearings@michigan.gov

Interested Parties
BSC2
M. Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner
[redacted]
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[redacted], MI [redacted]