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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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██████████, MI ██████████

Date Mailed: December 27, 2024  
MOAHR Docket No.: 24-012936  
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 was represented by her Authorized Hearing Representative (AHR) and daughter, ██████████ ██████████. The Department of Health and Human Services (Department) was represented by Shyla Coleman, Eligibility Specialist and Hearings Facilitator.

**ISSUE**

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

**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 ██████████ years old, not married, and receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$1,087.70 per month and pension income of \$347.16 per month. (Exhibit A, pp. 1, 12).
2. Petitioner pays \$174.70 per month for Medicare Part B.
3. On November 13, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner for Plan First Family Planning (PFFP) MA, and MA subject to a monthly deductible of \$864 effective October 1, 2024. (Exhibit A, pp. 6 – 9).

4. On November 21, 2024, the Department received a request for hearing from Petitioner, disputing the amount of her monthly MA deductible. (Exhibit A, pp. 3 – 5).

### **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).

Petitioner requested a hearing to dispute that she was not eligible for full coverage MA. The Department approved Petitioner for Plan First Family Planning (PFFP) and MA subject to a monthly deductible of \$864 per month. Petitioner also marked a box on her request for hearing form indicating Food Assistance Program (FAP) was denied, but there was no testimony or evidence that FAP was at issue. Therefore, to the extent that the request for hearing indicated FAP was at issue, it was in error and is dismissed.

The only remaining issue to be decided is whether the Department properly determined Petitioner's eligibility for MA.

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.

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 over 65 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, adults who are not married are a fiscal group size of one. BEM 211 (October 2023), p. 8. There was no dispute that Petitioner is not married; therefore, she is a fiscal group of one. Because she is a fiscal group of one, to be income eligible for this program, Petitioner's monthly income would have had to be \$1,275 or less. RFT 242 (April 2024).

In this case, Petitioner and the Department agree that she receives RSDI in the amount of \$1,087 per month plus \$347.16 per month in pension income. The total gross amount of RSDI and pension 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 gross RSDI and pension income of \$1,434, reduced by \$20, equals \$1,414 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 \$1,414, and because that is more than the \$1,275 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 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, and 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 \$375 for a one-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

In this case, although the Department did not introduce a budget at the hearing, it explained in detail how Petitioner's G2S deductible was calculated. From Petitioner's net income of \$1,414, 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. Petitioner's AHR testified that Petitioner does not live in AFC or HA and therefore the Department did not include a deduction for remedial services. However, the parties agreed that Petitioner pays \$174.70 per month for Part B Medicare premium, and the Department deducted \$174.70 from Petitioner's net income of \$1,414. Therefore, Petitioner's countable net income was reduced by her Part B Medicare premium to \$1,239. The Department then deducted Petitioner's \$375 PIL from Petitioner's \$1,239 net income, which left \$864. This amount becomes the deductible amount. Therefore, the Department properly determined Petitioner's deductible in the amount of \$864 for October 2024 ongoing.

It is noted that Petitioner's AHR testified that Petitioner had full coverage MA prior to October 1, 2024, and the Department testified that its records reflect that Petitioner's prior MA had been closed since May 1, 2024. However, there was no evidence in support of, or to refute, the either parties' testimony, and Petitioner's prior eligibility for MA does not change Petitioner's current eligibility.

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 deductible of \$864 per month effective October 1, 2024.

### **DECISION AND ORDER**

Accordingly, the request for hearing as to FAP is **DISMISSED**, and the Department's decision as to MA is **AFFIRMED**.



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**Caralyce M. Lassner**  
Administrative Law Judge

CML/nr

**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  
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25637 Ecorse Rd.  
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**Interested Parties**

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