



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

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Date Mailed: January 15, 2025
MOAHR Docket No.: 24-013070
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

HEARING DECISION

On November 25, 2024, Petitioner, [REDACTED], requested a hearing to dispute a Medical Assistance (MA) determination. As a result, a hearing was scheduled to be held on January 9, 2025. 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; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. Petitioner appeared and represented herself. Respondent, Department of Health and Human Services (Department), had Stephanie Brock, Hearings Coordinator, appear as its representative.

A 22-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUE

Did the Department properly determine Petitioner's 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. Petitioner has a group size of 1.
2. Petitioner is a resident of [REDACTED]
3. Petitioner's date of birth is [REDACTED].
4. Petitioner receives \$[REDACTED] per month from Social Security Retirement, Survivors, and Disability Insurance (RSDI).
5. Petitioner has Medicare coverage.

6. During a review of Petitioner's MA eligibility, the Department determined that the best MA coverage that Petitioner was eligible for was Group 2 MA with a monthly deductible.
7. On August 31, 2024, the Department mailed a health care coverage determination notice to Petitioner to notify Petitioner that Petitioner was eligible for was Group 2 MA with a monthly deductible of \$1,028.00 effective September 1, 2024.
8. On November 25, 2024, Petitioner requested a hearing.

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).

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. The Department administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In order for a client to be eligible for full-coverage MA 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 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, the department representative testified that Petitioner has a group size of 1. The FPL for a household size of one in 2024 is \$15,060.00. 89 FR 2961 (January 17, 2024). The applicable FPL is equal to a monthly income of \$1,255.00.

When a group member receives income from Social Security RSDI, the gross amount received from RSDI is countable. BEM 163 p. 2. However, \$20.00 is disregarded from unearned income such as Social Security RSDI income. BEM 541 (January 1, 2023), p. 1. In this case, Petitioner receives \$[REDACTED] per month from Social Security RSDI. After the \$20.00 disregard, the countable amount of Petitioner's unearned income is \$[REDACTED] per month (\$[REDACTED] - \$20.00).

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 was not eligible for any of the allowable deductions other than the \$20.00 unearned income disregard and the earned income disregard. Petitioner's net income exceeded the limit for Petitioner to be eligible for full-coverage MA through the AD Care program because the income limit was

\$1,255.00 per month, and Petitioner's income was \$[REDACTED] per month. Therefore, the Department properly found that Petitioner was ineligible for full-coverage MA through the AD Care program.

Since the Department found Petitioner ineligible for full-coverage MA through the AD Care program, the Department determined that the best MA coverage that Petitioner was eligible for was Group 2 MA. Group 2 MA is MA with a monthly deductible, and it is available to clients who are aged or disabled and ineligible for full-coverage MA through the AD Care program. BEM 166 (April 1, 2017), p. 1. Group 2 MA provides health care 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.

In this case, the Department determined that the best MA coverage that Petitioner was eligible to receive was Group 2 MA with a monthly deductible. Group 2 is available to clients who are aged or disabled and ineligible for full-coverage MA through the AD-Care program. BEM 166 (April 1, 2017), p. 1. Group 2 MA provides health care 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 MA 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's excess income by subtracting the protected income limit from Petitioner's countable monthly income. As stated above, Petitioner's countable monthly income was \$[REDACTED]. The protected income limit for a household of 1 in [REDACTED] County was \$408.00 per month. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). There was no evidence that Petitioner paid any health insurance premiums or allowable remedial care expenses. Petitioner's excess income was \$[REDACTED] minus \$408.00, which equals \$1,028.00. Therefore, the Department properly determined that Petitioner was eligible for type Group 2 MA coverage with a monthly deductible of \$1,028.00 beginning September 1, 2024.

Since Petitioner has a deductible, Petitioner will only be eligible for health care coverage for any month that his allowable medical expenses equal or exceed his deductible amount. Petitioner did not present any evidence to establish that he had allowable medical expenses that equaled or exceeded his deductible amount. If Petitioner has outstanding medical expenses that equal or exceed his deductible amount, Petitioner

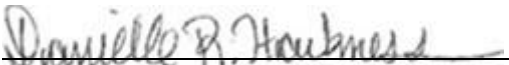
should provide documentation of those expenses to the Department to obtain health care coverage.

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 MA eligibility.

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

DH/pt


Danielle R. Harkness
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

Gary Leathorn - 74
St Clair County DHHS
220 Fort St.
Port Huron, MI 48060

MDHHS-STCLAIR-HEARINGS@michigan.gov

Interested Parties

BSC2

M. Schaefer

EQAD

MOAHR

Via-First Class Mail:

Petitioner

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