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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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DIRECTOR

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Date Mailed: January 14, 2025
MOAHR Docket No.: 24-013291
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness

HEARING DECISION

On November 19, 2024, Petitioner, ██████████ requested a hearing to dispute a Medical Assistance (MA) determination. As a result, a hearing was scheduled to be held on January 7, 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 Jerica Hall, Family Independence Manager appear as its representative. A 31-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 is not married.
2. Petitioner is a resident of ██████████ County.
3. Petitioner's date of birth is ██████████, 1 ██████████
4. Petitioner receives \$ ██████████ 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 Petitioner was ineligible for full-coverage MA because Petitioner's income

exceeded the applicable limit. The Department determined that the best MA coverage that Petitioner was eligible for was MA with a monthly deductible, type Additional Low Income Medicare Beneficiary (ALMB) Medicare Savings Program (MSP) coverage, and limited-coverage MA through Plan First.

7. On November 6, 2024, the Department mailed a health care coverage determination notice to Petitioner to notify Petitioner that Petitioner was ineligible for MSP coverage.
8. On November 19, 2024, Petitioner requested a hearing.
9. On December 3, 2024, the Department mailed a health care coverage determination notice to Petitioner to notify Petitioner that Petitioner was eligible for MA with a monthly deductible, type ALMB MSP coverage with a \$1,209.00 monthly deductible from November 1, 2024, through November 30, 2024; and a \$1,034.00 monthly deductible beginning December 1, 2024.

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 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 1 because Petitioner does not have a spouse. The FPL for a household size of 1 in 2024 is \$15,060.89 Federal Register (FR) 2961 (January 11, 2024). The applicable FPL is equal to a monthly income of \$1,255.07.

When group members receive 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 \$1,559.00 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 p. 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. 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 \$1,255.07 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 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 the individual’s 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.

Regarding the MSP coverage, the Department found that the best MSP coverage that Petitioner was eligible for was type ALMB MSP coverage. There are three different types of MSP coverage: QMB, SLMB, and ALMB. BEM 165 (October 1, 2022), 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 MA through the AD-Care program. *Id.* at 1. The income limit for SLMB is 120% of the FPL. *Id.* As discussed above, Petitioner’s income is over the limit for full-coverage MA through the AD-Care program. Since the income limit for full-coverage MA through the AD-Care program is the same income limit for QMB, Petitioner is also over the income limit for QMB MSP coverage.

Petitioner also exceeded the income limit for SLMB MSP coverage. The income limit for SLMB is 120% of the FPL, which equals \$1,506.09 per month and Petitioner’s income is \$[REDACTED] per month. Thus, the Department properly determined that Petitioner was ineligible for type SLMB MSP coverage.

The income limit for ALMB is 135% of the FPL which equals \$1,694.25 per month *Id.* Petitioner's income is \$ [REDACTED] per month. Because Petitioner was below the income limit, the Department properly determined that Petitioner was eligible for type ALMB MSP coverage.

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 Montcalm County was \$350.00 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. Thus, Petitioner's excess income was \$1,462.00 minus \$350.00, which equals \$1,209.00 from November 1, 2024, through November 30, 2024.

Beginning December 1, 2024, Petitioner paid health insurance premiums of \$174.70. Therefore, this was subtracted from Petitioner's net monthly income resulting in Petitioner having a countable income of \$1,384.30. The protected income limit of \$350.00 was subtracted from Petitioner's countable income which equals \$1,034.00. Therefore, the Department properly determined that Petitioner was eligible for type ALMB MSP coverage with a monthly deductible of \$1,034.00 beginning December 1, 2024.

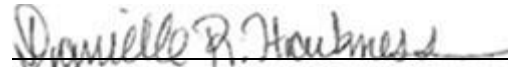
The Department also found Petitioner eligible for limited-coverage MA through Plan First. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited-coverage MA through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's total household income was less than the income limit, so the Department properly found Petitioner eligible for limited-coverage MA through Plan First.

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
Jerica Hall
Montcalm County DHHS
609 North State Street
PO Box 278
Stanton, MI 48888
MDHHS-Montcalm-Hearings@michigan.gov

Interested Parties

BSC3
M. Schaefer
EQAD
MOAHR

Via-First Class Mail:

Petitioner

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