



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

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Date Mailed: January 15, 2025
MOAHR Docket No.: 24-013715
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On ██████████ 2024, Petitioner ██████████ requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on January 14, 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Eligibility Specialist Rosemary Molsbee-Smith appear as its representative. Neither party had any additional witnesses.

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

ISSUE

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's date of birth is ██████████.
2. Petitioner is not married.
3. Petitioner has an IRA with a value of approximately ██████████.

4. On August 6, 2024, Petitioner applied for Medicaid from the Department.
5. The Department did not process Petitioner's Medicaid application because it was missing information.
6. On August 28, 2024, Petitioner contacted the Department to check on the status of her Medicaid application, and the Department informed Petitioner that she needed to submit a complete Medicaid application because the one she submitted was missing information necessary to process it.
7. The Department approved Petitioner for Medicare Savings Program coverage for October 2024, but then the Department closed it because the Department determined that Petitioner's assets exceeded the limit due to her IRA.
8. On November 25, 2024, Petitioner reapplied for Medicaid.
9. On November 25, 2024, the Department determined that Petitioner was ineligible for Medicare Savings Program coverage because Petitioner's assets exceeded the limit due to her IRA.
10. Petitioner requested a hearing to dispute the Department's decision.

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 Medical Assistance program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Medicare Savings Program (MSP) coverage is a type of Medicaid that supplements Medicare. 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.

To be eligible for MSP coverage, a client's countable assets cannot exceed the applicable limit. *Id.* at 8. The asset limit for MSP is \$9,660.00 for a group size of one, and \$14,470.00 for a group size of two. BEM 400 (February 1, 2025), p. 8. Petitioner had a group size of one, so Petitioner's asset limit was \$9,660.00.

In this case, the Department determined that Petitioner's assets exceeded the limit. Specifically, the Department determined that Petitioner had an IRA valued at approximately [REDACTED]. The amount of money that can be withdrawn from an IRA is considered a countable asset. *Id.* at 28-29. Since Petitioner was born in 1958, Petitioner can withdraw the entire value of her IRA without a penalty. Thus, the value of Petitioner's entire IRA is a countable asset. The value of Petitioner's entire IRA was [REDACTED], and the asset limit was \$9,660.00, so Petitioner's IRA exceeded the asset limit. Therefore, the Department properly determined that Petitioner was ineligible for MSP 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 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, MI 48909-8139

Via Electronic Mail:

DHHS

Yvonne Hill
Oakland County DHHS Madison Heights Dist.
30755 Montpelier Dr.
Madison Heights, MI 48071
MDHHS-Oakland-DistrictII-Hearings@michigan.gov

Interested Parties

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M. Schafer
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Via First Class Mail:

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