



Date Mailed: March 19, 2025

Docket No.: 24-038089

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via Microsoft Teams on March 10, 2025. Petitioner did not participate and was represented. [REDACTED] [REDACTED] Petitioner's spouse (hereinafter, "Spouse"), participated as Petitioner's authorized hearing representative (AHR). The Michigan Department of Health and Human Services (MDHHS) was represented by Karen Smalls, manager

ISSUE

The issue is whether MDHHS properly terminated Petitioner's and Spouse's Medicare Savings Program (MSP) 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. As of November 2024, Petitioner and Spouse resided together, were married to each other, and received ongoing MSP benefits.

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2. As of November 2024, Petitioner and Spouse respectively received \$[REDACTED] and \$[REDACTED] in gross monthly Retirement, Survivors, Disability Insurance (RSDI) benefits.
 3. On December [REDACTED] 2024, MDHHS terminated Petitioner's and Spouse's MSP eligibility beginning December 2024 due to excess income.
 4. On December 30, 2024, Petitioner requested a hearing to dispute the termination of MSP benefits.

CONCLUSIONS OF LAW

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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of MSP benefits.¹ Exhibit A, p. 3. A Health Care Coverage Determination Notice dated December [REDACTED] 2024, stated that Petitioner and Spouse's MSP eligibility ended beginning December 2024. Exhibit A, pp. 7-11. MDHHS testified the reason for MSP termination was excess income.²

MSP is an SSI-related Medicaid category. BEM 165 (July 2024) p. 1. One of three different subprograms are available under MSP. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, coinsurances, and deductibles. BEM 165 (January 2018), p. 2. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. *Id.* Additional Low-Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if MDHHS funding is available. *Id.* The client's income determines the MSP subprogram issued (see RFT 242).³

For MSP eligibility, MDHHS is to determine countable income according to the SSI-related MA policies in BEM 165, 500, 501, 502, 503, 504 and 530. BEM 165 (July 2024)

¹ Petitioner's AHR stated she sent documents on March 7, 2025 seeking the addition to the hearing of a dispute over Medicaid eligibility. Adding Medicaid eligibility to the present case's jurisdiction was rejected because of the lack of due notice given to MDHHS. Petitioner's AHR was advised to submit the Medicaid dispute in writing to MDHHS just as was done for the hearing request over MSP eligibility.

² Generally, written notices from MDHHS are required to specify the reason for an adverse benefits action. (see Bam 130). Arguably, the notice in the present case failed to do so by not specifying that excess income was the cause of MSP termination. However, income for Petitioner and Spouse were listed to support that income was a factor in benefit termination.

³ Since April 2024, MDHHS added a fourth category, Non-Categorically Eligible Michigan Beneficiaries (NMB). BEM 165 (July 2024) p. 1.

p. 8. MDHHS is to apply the deductions in BEM 540 (for children) and 541 (for adults) to determine a client's net income for MSP. *Id.*

It was not disputed that Petitioner was a married individual residing with Spouse. As a married individual residing with a spouse, Petitioner's MSP benefit group size is two.⁴

It was not disputed that Spouse and Petitioner had respective gross monthly RSDI of \$[REDACTED] and \$[REDACTED]. Generally, MDHHS counts the gross amount of RSDI in determining MA eligibility.⁵ BEM 503 (April 2024) p. 30. For MSP, Petitioner's benefit group's monthly countable income totals \$[REDACTED].

For MSP, MDHHS allows a standard \$20 disregard for unearned income, disregards for employment income, guardianship/conservatorship expense credits, and a disregard for cost-of-living adjustments (January through March only). The only applicable disregard and/or credit is the standard \$20 disregard for unearned income. Applying the unearned income disregard to Petitioner's group's RSDI results in a net income is \$[REDACTED].

Income eligibility exists for MSP when net income is within the limits in RFT 242 or 247. *Id.*, p. 8. After the \$20 disregard is factored, the highest income limit for any MSP category for a group size of two persons is \$2,319.50. RFT 242 (April 2024) p. 1. Petitioner's group's countable net income exceeds the highest income limit for MSP eligibility.

Petitioner's AHR contended she and Petitioner could be eligible for MSP through NMB. NMB pays the Medicare Part B premiums (and the part A premiums for the few who have them) for full coverage Medicaid beneficiaries not otherwise eligible for MSP. BEM 165 (July 2024) p. 2. Unless Petitioner or Spouse are eligible for full Medicaid, neither is eligible for MSP benefits under NMB.⁶ Given the evidence, MDHHS properly terminated MSP benefits for Petitioner and Spouse due to excess income.

⁴ See BEM 211 for determining the group size for MA benefits.

⁵ Exceptions to counting gross RSDI include the following: certain former SSI recipients (e.g., disabled-adult children, 503 individuals, and early widowers), retroactive RSDI benefits, Medicare premium refunds, fee deductions made by qualified organizations acting as payee, and "returned benefits" (see BAM 500). No exceptions were applicable to the present case.

⁶ One example where NMB eligibility may be proper is when a client meets a Medicaid deductible through the submission of medical expenses. In the example, the client presumably has excess income for Medicaid and MSP but becomes eligible for both by submitting expenses meeting the deductible amount.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's and Spouse's MSP eligibility beginning December 2024. The actions taken by MDHHS are **AFFIRMED**.



CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

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MOAHR

Via First Class Mail:

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Petitioner

