



Date Mailed: February 21, 2025

Docket No.: 25-002000

Case No.:

Petitioner:

«RECIP\_FULL\_NAME»

«RECIP\_ADD0»

«RECIP\_ADD1»

«RECIP\_ADD2»

«RECIP\_CITY», «RECIP\_SPCODE»

«RECIP\_POSTAL»

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هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

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

### **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; 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 telephone conference on February 13, 2025, with the parties participating from a Michigan Department of Health and Human Services (MDHHS or Department) local office hearing room. Petitioner appeared and was unrepresented. The Department was represented by Latrice Nash, Assistance Payment Supervisor.

### **ISSUE**

Did the Department properly close Petitioner's Medicare Savings Program (MSP) case?

### **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 was an ongoing recipient of Medicare and MSP benefits.
2. On October 23, 2024, Petitioner submitted to the Department a completed redetermination for the Department to assess his ongoing eligibility for Medicaid.

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3. Petitioner received gross monthly Retirement, Survivors and Disability Insurance (RSDI) income of [REDACTED] in 2024 and [REDACTED] beginning January 2025 and pension income of [REDACTED] (Exhibit A, pp. 13-15)
  4. On November 14, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) notifying him that his MSP case was closing effective December 1, 2024. (Exhibit A, pp. 16-18)
  5. On January 2, 2025, the Department received Petitioner's request for hearing disputing the MSP decision. (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).

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.

The November 14, 2024 HCCDN notified Petitioner that his MSP case would close effective December 1, 2024 because he "[did] not meet basic criteria for Medicare Savings Program." At the hearing, the Department explained that the closure was due to excess income.

MSP is a State-administered, SSI-related Medicaid program in which the State may pay an income-eligible client's Medicare premiums, coinsurances, and deductibles. BEM 165 (July 2024), pp 1-2; BAM 810 (June 2024), p. 1. There are three income-based MSP categories: (1) Qualified Medicare Beneficiaries (QMB), which pays for a client's Medicare premiums (both Part A, if any, and Part B), Medicare coinsurances and Medicare deductibles; (2) Specified Low-Income Medicare Beneficiaries (SLMB), which pays for a client's Medicare Part B premiums; and (3) Additional Low Income Medicare Beneficiaries (ALMB), which pays for a client's Medicare Part B premiums when funding is available. BEM 165, pp. 1-2. A fourth MSP category, Non-Categorically Eligible Michigan Beneficiaries (NMB), is available for individuals with income and assets above allowed ALMB limits but with full coverage MA and Medicare Part A and B. BEM 165, p. 1.

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Income eligibility is dependent on Petitioner's Medicaid fiscal group size and income. Because there was no evidence presented at the hearing that Petitioner was married, for MSP purposes, he has a one-person group size. BEM 211 (October 2023), p. 8. To be income-eligible for MSP, Petitioner, as a one-person Medicaid fiscal group, cannot have net income that exceeds 135% of the federal poverty level, or \$1,714.25. BEM 165, p. 1; RFT 242 (April 2024), p. 1.

For purposes of MSP, which is an SSI-related Medicaid category, an individual's monthly net income is the sum of his gross income less the deductions allowed by policy: a \$20 unearned income deduction, court-ordered child support, incurred blind- or impairment-related work expenses, allocations for the support of a minor child when the client is the child's caretaker, and guardianship or conservator expenses. BEM 541 (January 2024), pp. 1-3. See BEM 541 (January 2024), p. 3. Although Petitioner testified that his RSDI income was reduced by \$365.55 that the Social Security Administration withheld, for purposes of determining MSP income eligibility, the Department is required to apply only those deductions permitted by policy.

At the hearing, Petitioner confirmed that his only income was monthly RSDI income, which was [REDACTED] gross currently and, according to the Single OnLine Query (SOLQ) [REDACTED] gross in 2024, and pension income of [REDACTED]. Because Petitioner's MSP case closed in 2024 and because cost-of-living adjustment increases in RSDI income are not considered when income calculations are made in January, February or March, Petitioner's countable RSDI income for determining his MSP eligibility is [REDACTED]. See BEM 503 (January 2025), pp. 30-31. Petitioner's countable RSDI income, plus his pension income, results in a total of [REDACTED] in gross unearned income. BEM 503, p. 29, 30.

Because there was no evidence that Petitioner had earnings, court-ordered child support, work expenses, or a guardian or conservator or that he was the caretaker of a minor child, the only deduction available to Petitioner's gross income is the \$20 unearned income deduction. Petitioner's [REDACTED] gross income reduced by the \$20 unearned income deduction results in net income for MSP purposes of [REDACTED]. Because this income is over the \$1,714.25 limit for MSP income-based coverage, the Department properly closed Petitioner's MSP case. Petitioner is advised that, if he has Medicaid with a deductible, he may be eligible for MSP benefits under the NMB category for any month he meets his deductible and MA is activated.

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## **DECISION AND ORDER**

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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 closed Petitioner's MSP case.

Accordingly, the Department's decision is **AFFIRMED**.



**ALICE ELKIN**  
**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](https://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. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed. 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](mailto: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.

**Via Electronic Mail:**

**Respondent**

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**Interested Parties**

BSC4  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via First Class Mail:**

**Petitioner**

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[REDACTED]  
[REDACTED] MI [REDACTED]