



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

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Date Mailed: January 3, 2025
MOAHR Docket No.: 24-012497
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 telephone hearing was held on December 11, 2024, from Detroit, Michigan. Petitioner appeared for the hearing with his Authorized Hearing Representative (AHR) [REDACTED]. The Department of Health and Human Services (Department) was represented by Priya Johnson, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) and Medicare Savings Program (MSP) benefits?

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 previously receiving Supplemental Security Income (SSI) and thus, approved for MA for SSI Recipients. On an unverified date, Petitioner's SSI ended.
2. On or around September 21, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice, advising that effective December 1, 2023, he was approved for MA under the limited coverage Plan First category. The September 21, 2024, Health Care Coverage Determination Notice also informed Petitioner that for June 1, 2024, ongoing, his MSP case number has been changed and he will receive a letter showing the approved benefit with the new case number. (Exhibit A, pp. 9-13)

3. On or around November 1, 2024, a hearing was requested on Petitioner's behalf disputing the Department's actions with respect to his MA and MSP benefits. (Exhibit A, pp. 3-8)
4. On or around November 12, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice, advising that effective January 1, 2024, he was approved for full coverage MA benefits. (Exhibit A, pp. 18-21)
5. The Department determined that Petitioner was a Disabled Adult Child (DAC) and eligible for MA as a DAC. (Exhibit B)
6. The Department approved Petitioner for DAC MA benefits effective January 1, 2024. (Exhibit B)

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.

In this case, the hearing was requested to dispute the Department's determination that Petitioner was ineligible for MA and MSP benefits under a full coverage category.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. MSP are SSI-related MA categories. There are four MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); Additional Low-Income Beneficiaries (ALMB); and Non-Categorically Eligible Michigan Beneficiaries (NMB). BEM 165 (July 2024), p. 1. QMB is a full coverage MSP that pays Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them), Medicare coinsurances, and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. 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, pp. 1-2.

Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Petitioner is potentially eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105, p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1.

DAC MA is an SSI-related Group 1 MA category and is available to a person receiving DAC (also called Childhood Disability Beneficiaries' or CDBs') RSDI benefits under section 202(d) of the Social Security Act **if** he or she meets **all** of the following conditions:

- is age 18 or older; and
- received SSI; and
- ceased to be eligible for SSI on or after July 1, 1987, because he became entitled to DAC RSDI benefits under section 202(d) of the Act or an increase in such RSDI benefits; and
- is currently receiving DAC RSDI benefits under section 202(d) of the Act (based on having a disability or blindness that began before age 22); and
- would be eligible for SSI without such RSDI benefits.

An individual may be receiving DAC RSDI benefits if one of the following descriptions applies:

- he has been identified as a DAC by central office or an SSI letter and the social security claim number suffix contains the letter C, which may be followed by another letter or number (CA, CB, C1, etc.).
- he is more than 19 years 2 months old and his social security claim number suffix contains the letter C, which may be followed by another letter or number (CA, CB, C1, etc.).
- he is age 18 or older, **not** a full-time student in elementary or secondary school and his social security claim number contains the letter C, which may be followed by another letter or number (CA, CB, C1, etc.).

BEM 158 (October 2014), pp. 1-7.

Additionally, persons receiving MA under the DAC category and entitled to Medicare A are considered eligible for MSP under the QMB category without a separate QMB determination. BEM 165, p.3; BEM 158, pp. 1-2.

At the hearing, the Department representative testified that Petitioner was approved for MA under the limited coverage Plan First category. However, after receiving Petitioner's request for hearing, his MA eligibility was reviewed and it was determined that he was eligible for DAC MA. In support of its testimony, the Department presented a Memo from the DAC Screening unit showing that Petitioner was considered a DAC. The Department also presented the November 12, 2024, Health Care Coverage Determination Notice advising Petitioner of the approval of full coverage MA, as well as the eligibility summary showing that Petitioner's DAC MA was approved as of January 2024. (Exhibit B).

During the hearing, and with respect to Petitioner's MSP eligibility, the Department representative reviewed the eligibility summary and other information in Bridges and testified that although Petitioner should be approved for full coverage MSP under the QMB category, a glitch in the system had not activated the approval, which may require a help-desk ticket. The Department representative testified that she was going to attempt to correct the issue after the hearing and indicated that she would send the undersigned Administrative Law Judge updated documentation, as Petitioner's AHR did not object.

The Department provided an updated eligibility summary for review which showed that Petitioner's MSP benefits under the QMB were certified as approved on December 11, 2024, and the effective date was December 1, 2023, ongoing. The Department also presented a Health Care Coverage Determination Notice dated December 11, 2024, advising Petitioner that he was approved for MSP under the QMB category for December 1, 2023, ongoing. (Exhibit B). Although the Department presented evidence that Petitioner's MSP benefits were approved, because this information was not presented to the undersigned until after the record closed, it was unknown whether the Department processed the Medicare Buy-In as required by Department policy.

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 processed Petitioner's MA benefits but failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed his MSP benefits.


DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Process the Medicare Buy In based on the December 1, 2023, date of QMB approval and supplement Petitioner and/or the Social Security Administration for Medicare premiums in accordance with Department policy; and
2. Notify Petitioner and his AHR in writing of its decision.

ZB/ml


Zainab A. Baydoun
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

Tracey Jones

Oakland County Southfield District III

25620 W. 8 Mile Rd

Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

BSC4

M Schaefer

EQAD

MOAHR

Via First Class Mail:

Authorized Hearing Rep.

[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]

Petitioner

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]