



Date Mailed: March 13, 2025
Docket No.: 24-038211
Case No.: [REDACTED]
Petitioner: [REDACTED]

VELENCIA SWEENEY
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DETROIT, MI 48223

This is an important legal document. Please have someone translate the document.

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এটি একটি গুরুত্বপূর্ণ আইনি উকুমেন্ট। দয়া করে কেউ দার্শাবেজ অনুবাদ করুন।

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

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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; 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 by telephone on February 18, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Sunshine Simonson, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medicaid (MA) eligibility effective February 1, 2025?

Did the Department properly determine Petitioner's Medicare Savings Program (MSP) eligibility effective February 1, 2025?

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 MA under the Healthy Michigan Plan (HMP).

1. Petitioner is over [REDACTED] years old, unmarried, lives in [REDACTED], and has Medicare. (Exhibit A, pp. 5, 12 – 13, 21).
2. Petitioner receives \$[REDACTED] per month in Retirement, Survivors, and Disability Insurance (RSDI) income and is employed by [REDACTED]. (Employer). Petitioner is paid bi-weekly by Employer and had \$[REDACTED] in gross wages in December 2024. (Exhibit A, pp. 10 – 13).
3. On December 16, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner for Plan First Family Planning (PFFP) MA coverage effective February 1, 2025 ongoing, MSP for the period of November 1, 2024 through January 31, 2025, and denied Petitioner MSP effective February 1, 2025 ongoing. (Exhibit A, pp. 16 – 17).
4. On December 26, 2024, the Department received a request for hearing from Petitioner. Petitioner provided two paystubs to the Department on that date. (Exhibit A, pp. 3 – 5, 10 – 11).

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.

Petitioner requested a hearing regarding Medicare. At the hearing, Petitioner clarified that she disputed the Department's determination of her eligibility for MA. The Department a) approved Petitioner for PFFP MA, and b) denied her for MSP due to excess income, effective February 1, 2025 ongoing. The Department testified that as of the date of the hearing, Petitioner's MA case was pending approval for MA subject to a monthly deductible of \$464 per month.

MA

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, and (iii) to individuals who meet

the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Because Petitioner is age 65 and a Medicare recipient and is not disabled or the caretaker of a minor child, Petitioner is only eligible for MA under SSI-related categories.

The Freedom to Work (FTW) MA program, which is a Group 1, full-coverage, SSI-related MA program, was mentioned during the hearing. However, eligibility for FTW is limited to disabled individuals under the age of 65, among other factors, and thus Petitioner was ineligible for FTW. BEM 174 (January 2020), pp. 1 – 3; BEM 105, p. 1.

AD-Care MA is a full-coverage SSI-related MA program, while Group 2 Aged, Blind and Disabled (G2S) is subject to a monthly deductible. BEM 105, p. 1. Although Petitioner may qualify for coverage under both of these MA programs, because AD-Care MA offers full-coverage with no premium or deductible, it is a more beneficial coverage for Petitioner than G2S.

The SSI-related AD-Care program is a Group 1 MA program for individuals who are 65 or older or disabled, and income-eligible based on their MA fiscal group size. BEM 163 (July 2017), p. 1. Net income for this program cannot exceed 100% of the Federal Poverty Level (FPL) for the fiscal group size. BEM 163, p. 1. For SSI-related MA purposes, adults who do not have a spouse, such as Petitioner, are a fiscal group size of one. BEM 211 (October 2023), p. 8. Because Petitioner is a fiscal group of one, to be income eligible for this program, Petitioner's monthly income for 2025 would have to be \$1,305 or less¹. Net income is determined after application of specific deductions allowed by policy. BEM 541 (January 2025), pp. 1 – 3.

In this case, there was no dispute that Petitioner receives RSDI in the amount of \$ [REDACTED] per month. The total gross amount of RSDI is counted as unearned income but, for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 503 (January 2025), pp. 30 – 31; BEM 541, p. 3; see also BEM 163. This reduced Petitioner's net unearned income to \$ [REDACTED].

There was also no dispute that Petitioner has earned income. The gross amount of wages are counted as earned income and reduced by the deductions set forth in BEM 541 to determine the client's net earned income. BEM 163, p. 2; BEM 500 (April 2022), p. 3; BEM 501 (January 2024), pp. 6 – 7. A review of Petitioner's paystubs established that Petitioner received two bi-weekly paychecks in December 2024 in the total gross amount of \$ [REDACTED], and there was no evidence Petitioner's wages were unusual. BEM 530 (April 2020), pp. 3 – 4. This amount was consistent with the amount calculated by the Department. (Exhibit A, p. 12). However, for purposes of SSI-related MA, Petitioner's gross wages are reduced by \$65 and then again by ½ of the remaining

¹ <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf> (Last accessed March 11, 2025).

amount. BEM 541, p. 3. Although the Department did not introduce a budget for AD-Care MA, it did introduce a budget reflecting its calculation of Petitioner's potential G2S deductible. (Exhibit A, p. 14). A review of that budget reflects that the Department determined Petitioner's total net income was \$ [REDACTED], which is less than the income limit for AD-Care MA. Therefore, the Department failed to establish that it acted in accordance with policy when it determined Petitioner's eligibility for MA effective February 1, 2025 ongoing.

MSP

MSPs are SSI-related MA categories providing assistance with eligible individual's Medicare expense and, effective June 1, 2024, are divided into four types: (i) Qualified Medicare Beneficiaries (QMB), (ii) Specified Low-Income Medicare Beneficiaries (SLMB), (iii) Q1 Additional Low-Income Medicare Beneficiaries (ALMB), and (iv) Non-Categorically Eligible Michigan Beneficiary (NMB). BEM 165 (July 2024), p. 1. Income is the major determiner of category, and the category with the highest net income limit is ALMB, which has a limit of 135% the federal poverty level (FPL) for the fiscal group. BEM 165, pp. 1, 8. Eligibility for NMB exists when a client has income and assets in excess of MSP – ALMB limits but has full coverage MA with Medicare Part A and B entitlement. BEM 165, p. 1.

In this case, the Department approved Petitioner for MSP – NMB for the period of November 1, 2024 through January 1, 2025, and denied her for MSP effective February 1, 2025 ongoing. (Exhibit A, pp. 15 – 17). The Department explained that Petitioner had income in excess of the limits for MSP. However, as discussed previously, because the Department determined Petitioner's total net income to be \$ [REDACTED], which is less than the highest income limit for MSP, it did not establish that it properly determined Petitioner's eligibility for MSP. BEM 165, p. 8 – 9. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner was not eligible for MSP effective February 1, 2025 ongoing.

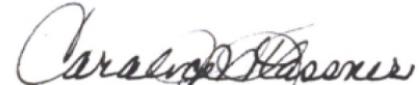
DECISION AND ORDER

Accordingly, the Department's decision is **REVERSED** with respect to its determination of Petitioner's MA and MSP eligibility effective February 1, 2025 ongoing.

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. Redetermine Petitioner's MA and MSP eligibility effective February 1, 2025;
1. If eligible, provide Petitioner with the most beneficial MA coverage she was eligible to receive effective February 1, 2025;

2. If eligible, provide Petitioner with the most beneficial MSP coverage she was eligible to receive effective February 1, 2025; and
3. Notify Petitioner of its decision in writing.



**CARALYCE M. LASSNER
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. 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, 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

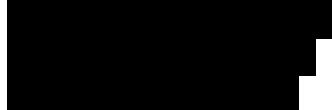
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Interested Parties

EQAD HEARINGS
M. SCHAEFER
BSC4

Via First Class Mail:

Petitioner

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