



Date Mailed: March 20, 2025

Docket No.: 25-004043

Case No.: [REDACTED]

Petitioner: [REDACTED]

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

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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.

[REDACTED]

### 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 18, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Amber Gibson, Hearing Facilitator (HF).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-23.

### ISSUE

Did the Department properly determine Petitioner's Eligibility for Medical Assistance (MA)?

### 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 receiving MA based on being a recipient of Social Security Administration (SSA) issued Supplemental Security Income (SSI) benefits. (Exhibit A, p. 7; HF Testimony)

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2. On December █ 2024, an SSI-Terminated Medicaid Coverage notice was issued to Petitioner stating that SSA notified the Department that Petitioner's SSI benefits stopped. This notice indicated the Department must determine if Petitioner remained eligible for any other type of Medicaid and/or the Medicare Savings Program (MSP). Petitioner must complete and return the enclosed application and forms, and provide the proofs requested on the forms, by a due date of January 10, 2025. (Exhibit A, p. 7)
  3. The Department verified household income from SSA issued Retirement Survivors Disability Insurance (RSDI) benefits of \$█ monthly. (Exhibit A, p. 1)
  4. On January █ 2025, a Health Care Coverage Determination Notice was issued to Petitioner indicating Petitioner was no longer eligible for MA benefits effective February 1, 2025. This was for the case number for MA under the SSI category. (Exhibit A, pp. 7-10)
  5. On January █ 2025, a Health Care Coverage Determination Notice was issued stating Petitioner would have a monthly deductible of \$█ effective February 1, 2025. This was for a new MA case number. (Exhibit A, pp. 11-17)
  6. On January 7, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-6)
  7. On January █ 2025, a Benefit Notice was issued stating Petitioner would have a monthly deductible of \$█ effective February 1, 2025. This was for the new MA case number. (Exhibit A, pp. 20-23)

### **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 Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under

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19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

To be automatically eligible for MA an SSI recipient must both: be a Michigan resident; and cooperate with third-party resource liability requirements. MDHHS administers MA for SSI recipients, including a continued MA eligibility determination when SSI benefits end. BEM 150, January 1, 2024, p. 1.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1.

Group 2 aged, blind, and disabled (Group 2 MA) is an SSI related MA category that available to a person who is aged (65 or older), blind or disabled. BEM 105, January 1, 2024, p. 5; BEM 166, April 1, 2027, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

The Department counts the gross benefit amount of Social Security Administration issued Retirement Survivors Disability Insurance (RSDI) benefits as unearned income when determining eligibility. BEM 503, January 1, 2025, p. 30. The Department disregards the annual cost of living increase for RSDI for January, February, and March. BEM 503, BEM 503, January 1, 2025, p. 30.

The Department utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. Ingham County is part of Shelter Area VI,

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which has a PIL of \$408.00 for a group size of one. RFT 200, April 1, 2017, p. 3 and RFT 240, December 1, 2013, p. 1.

For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus ½ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2025, pp. 1-7.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, July 1, 2022, p. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) category. Effective April 1, 2024, for a group size of one the income limit for MA-AD is \$1,275.00. The RFT 242 policy notes that the listed amounts are the applicable percentage of the federal poverty limit plus the \$20.00 disregard for RSDI income. RFT 242, April 1, 2024, p. 1.

In this case, Petitioner was no longer automatically eligible for full coverage MA as an SSI recipient when SSA closed his SSI benefit case. The Department determined that Petitioner was eligible for Medicaid with a monthly deductible of \$[REDACTED] effective February 1, 2025. (Exhibit A, pp. 20-23).

The Department verified household income from SSA issued RSDI benefits of \$[REDACTED] monthly. (Exhibit A, p. 1). Accordingly, the total monthly income exceeds the income limit for full coverage MA under the MA-AD Care category for a group size of one, \$1,275.00.

The Department then calculated a monthly deductible for Petitioner. After the \$20.00 disregard, the COLA exclusion amount, and the PIL of \$408.00 are considered, Petitioner has a monthly deductible of \$[REDACTED]. There was no evidence that Petitioner had any of the other allowable deductions (court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, an earned income disregard of \$65.00 plus ½ of the remaining earnings, or Guardianship/Conservator expenses).

Petitioner explained that he cannot afford the monthly deductible. (Exhibit A, pp. 3-4; Exhibit 1, p. 5; Petitioner Testimony).

This Administrative Law Judge has no authority to change or make any exceptions to the applicable regulations and policy, which require a monthly deductible when there is

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excess income. Overall, the evidence establishes that the Department properly determined Petitioner's eligibility for MA based upon the available information.

**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 Department policy when it determined Petitioner's eligibility for MA.

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



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**COLLEEN LACK**  
**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. 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. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

**Via Electronic Mail:**

**Respondent**  
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**SCHAEFERM**

**EQADHEARINGS**

**BSC2HEARINGDECISIONS**

**MOAHR**

**Via First Class Mail:**

**Petitioner**

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