



Date Mailed: June 26, 2025

Docket No.: 25-007640

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

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

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Docket No.: 25-007640

Case No.: [REDACTED]

Petitioner: [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 May 28, 2025. Petitioner appeared for the hearing and was represented by Attorney Moshe Newman. Petitioner testified on his own behalf. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Assistant Attorney General (AAG) Robert Boyd, who called Arnesia Woods, Eligibility Specialist and Eileen Kott, Family Independence Manager as witnesses.

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 and MSP benefits under the Qualified Medicare Beneficiaries (QMB) category. On an unverified date, Petitioner's SSI ended.
2. On or around [REDACTED] Petitioner submitted an application for MA benefits, as his eligibility was due for review.
3. Petitioner's MA for SSI Recipients and QMB cases were closed effective July 31, 2024. (Exhibit A, p. 15)
4. The Department determined that effective August 1, 2024, Petitioner would be eligible for MA under the Group 2 Aged, Blind, Disabled (G2S) subject to a monthly deductible of \$979. (Exhibit A, p. 10)

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5. On or around July 2, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective August 1, 2024, he was approved for MA subject to a monthly deductible of \$979. The notice further advised Petitioner that effective August 1, 2024, he was ineligible for MSP benefits because he does not meet basic criteria. (Exhibit A, pp. 11-14)
 6. On or around January 29, 2025, Petitioner requested a hearing disputing the Department's actions with respect to his MA and MSP benefits.
 7. Petitioner's MA deductible remained \$979 through January 31, 2025. (Exhibit A, p.10)

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, Petitioner disputed the Department's determination that he was eligible for MA under a deductible based program and that he was ineligible for MSP benefits effective August 1, 2024.

MA Eligibility Effective January 1, 2025

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.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

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.

At the hearing, the Department representative testified that because Petitioner's SSI was terminated, he was no longer eligible for MA under the MA for SSI Recipients category and his MA/MSP eligibility needed to be reviewed. The Department testified that after receiving and processing Petitioner's [REDACTED] application, it determined that Petitioner had excess income for a full coverage MA program but that he was eligible for MA under the G2S subject to a monthly deductible of \$979 effective August 1, 2024. The evidence showed that as of the hearing request date, Petitioner's MA deductible remained \$979 through the end of January 2025. Petitioner's MA eligibility as of the hearing request date, January 2025, is addressed below.

Because Petitioner is enrolled in Medicare and over age 64, he is not eligible for full coverage MA under the HMP. There was no evidence that Petitioner was the parent or caretaker of any minor children. Thus, the Department properly concluded that Petitioner was 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. Ad-Care coverage is a SSI-related Group 1 MA category which must be considered before determining Group 2 MA eligibility. BEM 163 (July 2017), p. 1. Eligibility for Ad-Care is based on the client meeting nonfinancial and financial eligibility criteria. BEM 163, pp. 1-2. The eligibility requirements for Group 2 MA and Group 1 MA Ad-Care are the same, other than income. BEM 166 (April 2017), pp. 1-2.

Income eligibility for the Ad-Care program is dependent on MA fiscal group size and net income which cannot exceed the income limit in RFT 242. BEM 163, p. 2. Petitioner has a MA fiscal group of one. BEM 211 (October 2023), pp. 5-8. Effective April 1, 2024, and continuing through March 31, 2025, an MA fiscal group with one member is income-eligible for full-coverage MA under the Ad-Care program if the group's net income is at or below \$1,275, which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242 (April 2023), p. 1. Thus, the income limit for Ad-Care eligibility is \$1,255.

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The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163. The Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p. 2.

The Department asserted that Petitioner had excess income for the Ad-Care program. The Department representative testified that it considered Petitioner's unearned income which totaled \$ [REDACTED] and was based on his receipt of gross monthly RSDI/Social Security benefits. While Petitioner's Social Security benefits were subsequently increased to \$ [REDACTED] there was no dispute by Petitioner or his attorney that Petitioner received gross unearned income from Social Security in the amount of \$ [REDACTED] for the month being tested. The Department properly considered the unearned income general exclusion of \$20. BEM 503 (January 2023), pp. 29-30. Therefore, the Department determined that Petitioner had countable income of \$ [REDACTED]

After further review of Department policy and based on the testimony provided at the hearing, because Petitioner's \$ [REDACTED] countable income exceeds the net income limit for the Ad-Care program, the Department acted in accordance with Department policy when it determined that Petitioner was ineligible for full coverage MA benefits under the Ad-Care program without a deductible and determined that he would be eligible for MA under the Group 2 Aged Blind Disabled (G2S) program with a monthly deductible.

Additionally, 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. BEM 545 (July 2022), p. 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, pp. 1-2; BEM 166, pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one living in [REDACTED] County is \$ [REDACTED] per month. RFT 200 (April 2017), pp. 1-2; RFT 240, p. 1. Thus, if Petitioner's net monthly income is in excess of the \$ [REDACTED] he may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds \$ [REDACTED] BEM 545, p. 1. To meet a deductible, a MA client must report and verify allowable medical expenses (defined in Exhibit I) that equal or exceed the deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11. The Department is to add periods of MA coverage each time the group meets its deductible. BEM 545, p.11.

The Department determined that Petitioner was eligible for MA under the G2S category with a monthly deductible of \$979. The Department reviewed the SSI-Related Medicaid

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Income Budget, to determine whether the Department properly calculated the amount of Petitioner's deductible. (Exhibit C). As referenced above, the Department properly considered unearned income from RSDI/Social Security in the gross total amount of \$[REDACTED] and properly applied the \$20 unearned income exclusion.

The Department asserted that because Petitioner was approved for the Medicare Savings Program, the State of Michigan was responsible for paying Petitioner's Medicare premiums. There was no evidence presented that Petitioner had any additional monthly insurance premiums. Although Petitioner testified that in the months prior to the hearing, he submitted medical expenses to the Department, there were no details provided by Petitioner regarding the amount of the expenses or the exact date of submission. It was also unclear whether the expenses were ongoing expenses or one-time medical expenses and no information was presented to establish when the expenses were incurred. Thus, the Department properly excluded a deduction for ongoing medical expenses. Should Petitioner submit medical expenses to the Department, the Department will process the expenses and apply them towards Petitioner's MA deductible for the appropriate months, if allowable. There was no evidence that Petitioner was entitled to any additional deductions to income such as guardianship/conservator expenses or remedial services. Thus, the budget did not reflect any additional income deductions.

Upon review, the Department properly considered Petitioner's unearned income and took into consideration the appropriate deductions to income. Based on the evidence presented because Petitioner's countable income of \$[REDACTED] for MA purposes exceeds the monthly protected income level of \$[REDACTED] by \$979, the Department properly calculated Petitioner's monthly \$979 MA deductible in accordance with Department policy. Therefore, based on the information relied upon by the Department, the Department properly determined that Petitioner was eligible for MA under the G2S program with a monthly deductible of \$979.

MSP Eligibility Effective August 1, 2024

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.

In this case, Petitioner disputed the Department's failure to properly process and activate his MSP benefits effective August 1, 2024.

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The Department asserted that following receipt of Petitioner's request for hearing, actions were taken on his MA and MSP case. The Department asserted that Petitioner was approved for MSP benefits under the SLMB category from August 1, 2024, ongoing. The Department presented the eligibility summary in support of its testimony. According to the eligibility summary provided by the Department, the approval of MSP benefits for Petitioner under the SLMB category was certified on April 1, 2025. (Exhibit B). Petitioner's attorney disputed the Department's testimony that Petitioner was approved for MSP benefits going back to August 1, 2024, as he asserted that on or around April 1, 2025, Petitioner received a Health Care Coverage Determination Notice advising that effective May 1, 2025, Petitioner was he was approved for MSP benefits under the Specified Low-Income Medicare Beneficiaries (SLMB) category and the notice advised that that from June 1, 2024, ongoing, he was ineligible for MSP benefits. The Department did not present any eligibility notice for review showing that Petitioner was notified of the MSP SLMB approval effective August 1, 2024. Additionally, Petitioner testified that Medicare premiums are being withheld from his monthly Social Security benefits. While the Department asserted that Petitioner was eligible for and should have been approved for MSP benefits under the SLMB category effective August 1, 2024, the Department was unsure whether the Part B Buy-In had been processed as required or whether the Buy-In unit was made aware of the MSP approval.

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 properly determined that Petitioner was eligible for MA subject to a monthly deductible but the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Petitioner's MSP benefits.

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. Activate Petitioner's MSP benefits under the SLMB effective August 1, 2024, ongoing;
2. Process the Medicare Buy In based on the August 1, 2024, date of SLMB approval and supplement Petitioner and/or the Social Security Administration for Medicare premiums in accordance with Department policy; and

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3. Notify Petitioner and his attorney in writing of its decision.

Zainab Baydoun
ZAINAB A BAYDOUN
ADMINISTRATIVE LAW JUDGE

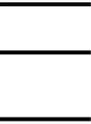
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APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. 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://rs.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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