



Date Mailed: May 5, 2025

Docket No.: 25-012493

Case No.: [REDACTED]

Petitioner: [REDACTED]

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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]
MI [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; 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 teleconference on April 30, 2025, and the parties participated jointly by Microsoft Teams from the Michigan Department of Health and Human Services (Department) local office. Petitioner appeared and represented herself. The Department was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount effective April 1, 2025 ongoing?

Did the Department properly determine Petitioner's Medicaid (MA) eligibility?

Did the Department properly deny Petitioner 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:

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1. Petitioner is [REDACTED] years old and married to [REDACTED] (Spouse). They are both Medicare recipients and live in [REDACTED].
 1. Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$[REDACTED] per month and Spouse receives RSDI income of \$[REDACTED] per month. Petitioner and Spouse each pay \$185 per month for Medicare Part B premiums.
 2. On January 17, 2025, the Department received medical bills of \$2,649 from Petitioner.
 3. On February 25, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner and Spouse for full coverage MA for January, February, and March 2025, approved Petitioner for MSP – Non-Categorically Eligible Michigan Beneficiaries (NMB) for January 1, 2025 through March 31, 2025, and denied Petitioner for MSP effective April 1, 2025 ongoing. (Exhibit A, p. 5).
 4. On February 25, 2025, the Department sent Petitioner a Notice of Case Action (NOCA) that approved Petitioner for FAP benefits of \$536 per month for a two-person FAP group from March 1, 2025 to January 31, 2026. (Exhibit A, p. 6).
 5. On March 6, 2025, the Department sent Petitioner a NOCA that decreased Petitioner's month FAP benefit to \$23 per month for a two-person FAP group effective April 1, 2025 ongoing.
 6. On March 12, 2025, the Department sent Petitioner a HCCDN that denied Petitioner MSP for March 2025 and effective April 1, 2025 ongoing. (Exhibit A, p. 4).
 7. On April 2, 2025, the Department received a request for hearing from Petitioner regarding the Department's determinations regarding her MA and MSP eligibility and the amount of her FAP benefit. (Exhibit A, pp. 3 – 6).

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 Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

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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 to dispute the Department's determination regarding her MA eligibility and the reduction of her FAP benefit amount. The Department testified that it determined Petitioner was eligible for MA subject to a monthly deductible, and eligible for FAP benefits of \$23 per month for a two-person FAP group.

FAP

Petitioner requested a hearing to dispute the amount of her monthly FAP benefit. The Department approved Petitioner for FAP benefits of \$536 per month for a two-person FAP group effective March 1, 2025 to January 31, 2026 based on Petitioner's medical expense deduction, and subsequently removed Petitioner's medical expense deduction and reduced Petitioner's monthly FAP benefit to \$23 per month effective April 1, 2025 ongoing.

Because Petitioner and Spouse are both over 60 years of age, they are senior/disabled/veteran (SDV) FAP recipients. BEM 550 (April 2025), pp. 1 – 2. For purposes of FAP benefits, households with SDV members with unearned income only, such as Petitioner's, are eligible for specific deductions from their income including, as applicable here, a medical expense deduction when medical expenses of the SDV member are in excess of \$35. BEM 554 (January 2025) p. 1; BEM 556 (October 2024) pp. 4 – 6.

SDV FAP recipients who verify a one-time or ongoing medical expense in excess of \$35 receive a standard medical deduction (SMD) of \$165 for the benefit period, unless the client has and verifies actual non-reimbursable portions of medical expenses in a higher amount. BEM 554, pp. 9 – 13. A SDV FAP recipient with an ongoing medical expense, including Medicare premiums, of more than \$35 is entitled to at least the SMD. BEM 554, p. 9. Additionally, a SDV FAP recipient with a one-time expense may choose to budget the expense for one month or average it over the remainder of their current benefit period. BEM 554, p. 10. However, SDV FAP recipients with a 24-month benefit period and a one-time expense in the first 12 months of that period, must be given the option to budget the expense a) in one month, b) averaged over the remainder of the first 12 months of the benefit period, or c) averaged over the remainder of the 24 month period. BEM 554, p. 10.

Here, the Department issued a NOCA to Petitioner on February 25, 2025 for the benefit period of March 1, 2025 to January 31, 2026. The NOCA approved Petitioner for \$536 in FAP benefits for a two-person FAP group and the Department testified that it

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budgeted \$2,649 in medical expenses for Petitioner for the month of March 2025 based on verification of medical expenses Petitioner provided to the Department on January 17, 2025 and Medicare Part B premiums. (Exhibit A, p. 11). The Department testified that on March 6, 2025, it then removed the medical expense deduction and reduced Petitioner's monthly FAP benefit amount to \$23 effective April 1, 2025 ongoing. It was unclear from the Department's testimony whether it budgeted any medical deduction, including Petitioner's and Spouse's Medicare Part B premiums, for April 2025 ongoing.

Based on the foregoing, there was no evidence of what portion of the medical expenses submitted by Petitioner were non-reimbursable, that Petitioner was given the option to budget those expenses over multiple months, or whether any of the verified medical expenses Petitioner submitted were ongoing expenses in excess of \$35. Therefore, the Department failed to establish that it acted in accordance with Department policy when it budgeted Petitioner's verified medical expenses for March 2025 only.

MA

Petitioner requested a hearing to dispute the Department's determinations regarding her eligibility for MA and MSP. The Department denied Petitioner MSP effective March 1, 2025 ongoing due to excess income and testified that she was approved for Group 2 SSI-related (G2S) MA subject to a monthly deductible.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Because Petitioner is a Medicare recipient and is not the caretaker of a minor child, Petitioner is eligible for MA only under SSI-related categories.

Based on Petitioner's circumstances, she was potentially eligible for AD-Care MA. The AD-Care program is a Group 1, full-coverage, SSI-related MA program for individuals who are 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, married adults, like Petitioner, are a fiscal group size of two. BEM 211 (October 2023), p. 8. Because she is a fiscal group of two, to be income eligible for this program, Petitioner's group's monthly income would have had to be \$1,763 or less. RFT 242 (April 2025); 2025-01377 (90 FR 5917).

In this case, there was no dispute that Petitioner and Spouse receive RSDI income in the total amount of \$ [REDACTED] per month. The total gross amount of RSDI is counted as

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unearned income but, for purposes of SSI-related MA, is reduced by \$20 to determine the net unearned income. BEM 163, pp. 2 – 3; BEM 503 (January 2025), pp. 30 – 32; BEM 541 (January 2025), p. 3. Petitioner’s and Spouse’s total RSDI of \$██████, reduced by \$20, equals \$██████ in net unearned income. Petitioner, who does not have earned income, expenses related to non-SSI children, or a court-appointed guardian and/or conservator, is not eligible for any additional deductions. BEM 541, pp. 1, 3. Therefore, Petitioner’s countable net income was \$██████. Because that is more than the \$1,763 income limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

Clients who are ineligible for full-coverage MA coverage because of excess income may still be eligible for G2S MA, an SSI-related MA program which provides for MA coverage with a monthly deductible. BEM 105, p. 1; BEM 166 (April 2017), p. 1. The deductible amount for G2S MA is equal to a) the amount of the individual’s SSI-related net income, b) minus allowable needs deductions set forth in BEM 544, c) minus the applicable Group 2 MA protected income level (PIL). BEM 166, p. 2; BEM 541, pp. 1, 3 – 4; BEM 544 (January 2020). The PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides and the client’s fiscal MA group size. BEM 544, p. 1. The PIL for Wayne County, where Petitioner resides, is \$500 for a two-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

The Department testified that Petitioner was approved for G2S MA subject to a monthly deductible of \$2,014, and presented a budget showing how it calculated Petitioner’s monthly deductible. (Exhibit A, p. 9). From Petitioner’s net income of \$██████, the Department subtracts allowable needs deductions, consisting of health insurance and Medicare premiums of the medical group and remedial services for residents of adult foster care (AFC) or homes for the aged (HA). BEM 544, pp. 1 – 2, 4. There was no dispute that Petitioner she does not live in AFC or HA and no deduction for remedial services was included. However, the Department testified, and Petitioner agreed, that Petitioner and Spouse each pay their own Part B Medicare premiums but the budget presented only reflects a deduction of \$185 for health insurance premiums. Therefore, the Department failed to establish that it acted in accordance with Department policy when it determined Petitioner’s G2S monthly deductible amount.

Although the Department did not provide a HCCDN and the effective date of the Department’s action was not clear, because Petitioner had full coverage MA through March 31, 2025, the earliest effective date at issue in the instant case was April 1, 2025.

MSP

Petitioner disputed the Department’s denial of her MSP. The Department denied Petitioner MSP effective March 1, 2025 due to excess income.

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

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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.

As explained previously, because Petitioner is married, for purposes of SSI-related MA, she is a fiscal group of two. BEM 211, p. 8. Based on the 2025 FPL, 135% of the FPL is \$2,380 per month. RFT 242 (April 2025); 2025-01377 (90 FR 5917). For purposes of MSP, countable income is determined in accordance with SSI-related MA policies. BEM 165, p. 8. Here, where Petitioner has no dependent children, child support obligations, or guardianship/conservatorship expenses, Petitioner is entitled only to a \$20 disregard, or reduction, of her and Spouse's RSDI income. BEM 541, pp. 1 – 7. Because Petitioner's and Spouse's total RSDI of \$██████, reduced by \$20, equals \$██████ in net unearned income, she has income in excess of the maximum net income limit of \$2,380 and is not eligible for ongoing MSP. Therefore, the Department properly determined that Petitioner was not eligible for ongoing MSP.

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 was not eligible for ongoing MSP, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's FAP benefit amount for April 1, 2025 ongoing, and when it determined Petitioner's G2S monthly deductible amount.

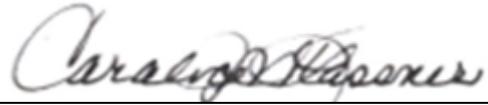
Accordingly, the Department's decision is **AFFIRMED** as to MSP and **REVERSED** as to FAP and MA.

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 eligibility for FAP benefits for April 1, 2025 ongoing;
1. If Petitioner is eligible for any supplemental FAP benefits, issue supplemental payments to Petitioner for any FAP benefits she was eligible to receive but did not, for April 1, 2025 ongoing;
2. Redetermine Petitioner's eligibility for G2S MA effective April 1, 2025 ongoing, including redetermination of any monthly deductible amount;

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3. If eligible, provide Petitioner with the most beneficial MA coverage she is eligible to receive for April 1, 2025 ongoing; and
4. 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. 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

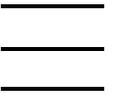
- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

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Via Electronic Mail:

Respondent

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