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27558 VERSAILLES
ROMULUS, MI 48174

Date Mailed: July 18, 2025
Docket No.: 25-016587
Case No.: 103300252
Petitioner: ██████████

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

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Case No.: 103300252

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 June 18, 2025. Petitioner appeared for the hearing and represented herself. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Marcella Towns, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) 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 is an ongoing recipient of MA benefits. Since May 1, 2024, Petitioner had been approved for MA under the limited coverage Group 2 Caretaker Relatives (G2C) category subject to a monthly deductible.
2. In connection with a redetermination, Petitioner's MA eligibility was reviewed.
3. On or around April 3, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising her that effective May 1, 2025, she was eligible for MA subject to a monthly deductible of \$834. (Exhibit A, pp. 19-23)
4. On or around April 9, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising of the deductible effective May 1, 2025, and informing Petitioner that she was ineligible for Medicare Savings Program (MSP) benefits due to excess income. (Exhibit A, pp. 6-7)
5. On or around April 28, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the MA program.

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 she was eligible for MA under a deductible based program. At the hearing, Petitioner asserted that she was previously approved for full coverage MA for two months in February 2025 and March 2025 and her full coverage MA was terminated in April 2025. The Department reviewed the eligibility summary during the hearing and testified that May 1, 2024, Petitioner had been approved for MA under the limited coverage Group 2 Caretaker Relatives (G2C) category subject to a monthly deductible. Although during the hearing, the Department could not locate documents verifying that Petitioner's MA deductible being met in the months of February 2025 and March 2025, Petitioner confirmed that she was hospitalized from February 28, 2025, through March 8, 2025. Petitioner's inpatient hospitalization would be sufficient to have met the deductible for the months of the hospitalization and thus, she would have been approved for full coverage MA for those months. It was established that after processing Petitioner's redetermination, the Department concluded that Petitioner continued to be eligible for MA subject to a monthly deductible based on her income, which Petitioner disputed. Petitioner's MA eligibility is addressed below.

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 (October 2023), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. 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.

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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.

Because Petitioner is enrolled in Medicare, she is not eligible for full coverage MA under the HMP. Petitioner is potentially eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65 or MA as the caretaker of her grandson. 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, 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 ██████ which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242 (April 2025), p. 1. Thus, the income limit for Ad-Care eligibility is ██████

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 ██████ and was based on her receipt of gross monthly Social Security benefits. Petitioner confirmed that the monthly unearned income amount identified by the Department was correct. Petitioner is eligible for an unearned income general exclusion of \$20. BEM 503 (January 2023), pp. 29-30. Therefore, the Department determined that Petitioner had countable income of ██████

After further review of Department policy and based on the testimony provided at the hearing, because Petitioner's ██████ 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 she would be eligible for MA under a Group 2 program.

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Petitioner is eligible for MA under the Group 2 Caretaker Relative (G2C) program, which has a lower deductible than the Group 2 Aged Blind Disabled (G2S) category. At the hearing, the Department representative testified that as of May 1, 2025, Petitioner's deductible was \$834.

Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105 (January 2021), p. 1. For Group 2 categories, there is a monthly deductible equal to the amount the household's monthly net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL). PIL is based on the fiscal group size for Group 2 MA categories and the county of residence. BEM 135, p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. See BEM 105 (January 2016), p. 2; BAM 220 (January 2016), pp. 17-19; BAM 210 (January 2016), p. 1; BEM 135 (October 2015), p. 1. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. The Department is to use the policies in BEM 500 and BEM 530 to determine each fiscal group member's countable earned income. BEM 211 (July 2019); BEM 536 (July 2019), p. 1.

In determining a person's eligibility and their fiscal group, however, the only income that may be considered is the person's own income and the income of the following persons who live with the client: the client's spouse, and the client's parents if the client is a child. This means that a child's income cannot be used to determine a parent's eligibility. BEM 211, p. 5. Additionally, for the G2C category, an adult's fiscal group is the adult and the adult's spouse. Therefore, with respect to Petitioner, the monthly PIL for her one person fiscal group living in ██████ County is ██████ per month. BEM 211, pp.5-9; RFT 200, p 1; RFT 240, p 1. A multi-step process is then utilized when determining a fiscal group member's income and deductible. BEM 536, pp. 1-7. Thus, if net monthly income is in excess of the applicable ██████ PIL, Petitioner may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the monthly income exceeds ██████ BEM 545, p 1.

The Department produced a G2-FIP Related (MA) Adult Net Income results budget which was reviewed to determine if the Department properly calculated Petitioner's deductible (Exhibit A, p. 16). The Department testified that in calculating income for MA purposes, it considered Petitioner's monthly RSDI/Social Security of ██████. Because Petitioner does not have any earned income, she is not eligible for the \$90 deduction for standard work expenses. Petitioner is also not eligible for the \$30 plus 1/3 disregard, as there was no evidence presented that the household received Family Independence Program (FIP) benefits or Low Income Families (LIF) MA in the four months prior to the month being tested. Additionally, there was no evidence that Petitioner was eligible for any dependent care deduction and no evidence that Petitioner received any child support earnings or that she had a responsibility for child support expenses. There was also no evidence that any court-appointed guardian and/or conservator expenses were verified as paid by Petitioner and submitted to the Department. Thus, the Department

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properly excluded the \$83 deduction for court-appointed guardianship/conservator expenses. See BEM 544; BEM 536, pp. 1-7.

Following the steps contained in BEM 536, the number of dependents (under the age of 18) living with the fiscal group member is also determined. This number is added to 2.9 to determine the prorated divisor. BEM 536, pp.1-5. In this case, because Petitioner is unmarried and is the caretaker of one child under age 18, the prorated divisor is 3.9. BEM 536, pp. 3-5. The Department properly determined that Petitioner's prorated income is [REDACTED] and that her share of her own income is [REDACTED]. The Department considered an insurance premium deduction of \$185 for Medicare premiums and properly determined that Petitioner had total net income of \$1,209. There were no additional eligible needs-based deductions for remedial services and no evidence of any ongoing medical expenses submitted. See BEM 544; BEM 536, pp. 1-7.

Upon review, the Department properly calculated Petitioner's net income of [REDACTED]. Because [REDACTED] exceeds the [REDACTED] PIL by [REDACTED] the Department properly calculated Petitioner's MA deductible of \$834 effective May 1, 2025.

At the hearing, there was some discussion regarding Petitioner's eligibility for Medicare Savings Program (MSP) benefits. The April 9, 2025, Health Care Coverage Determination Notice indicates that effective February 1, 2025, she was ineligible for MSP benefits because her income exceeded the income limit.

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.

Income is the major determiner of category. The monthly income limits for Petitioner's fiscal group size of one for the February 2025 month of denial are identified in RFT 242 (April 2024). For QMB eligibility, net income cannot exceed [REDACTED] which is 100% of the poverty level, plus the \$20 disregard for RSDI income. For SLMB eligibility, net income is between [REDACTED] and [REDACTED] which is over 100% but not over 120% of the poverty level, plus the \$20 disregard for RSDI income. For ALMB eligibility, net income must be between [REDACTED] and [REDACTED] which is over 120% but not over 135% of the poverty level, plus the \$20 disregard for RSDI income. RFT 242, p.1; BEM 165, pp. 1-2, 8-10. Because there is no income limit identified in Department policy for NMB eligibility, the Department may activate NMB for the months in which a client has met their monthly deductible. The Department is to determine countable income according

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to the SSI-related MA policies in BEM 500, 501, 502, 503, 504, and 530, except as otherwise explained in BEM 165. RFT 242, pp. 1-2; BEM 165, pp. 8-10. The Department will also apply the deductions in BEM 540 (for children) and BEM 541 (for adults) to countable income to determine net income. BEM 165, pp. 8-10.

At the hearing, the Department representative testified that based on Petitioner's income, she was determined ineligible for MSP benefits under all categories. Although there was no budget presented for review, the Department representative testified that Petitioner had gross monthly RSDI/Social Security benefits of [REDACTED]. This was confirmed by Petitioner. An unearned income general exclusion of \$20 is available to Petitioner. BEM 503 (January 2023), pp. 29-30. Therefore, Petitioner's countable income is [REDACTED]. Because the income is in excess of the [REDACTED] ALMB income limit, which is the highest income limit for MSP, the Department properly determined that Petitioner was ineligible for MSP benefits under the QMB, SLMB, and ALMB categories.

It was established that Petitioner is an ongoing recipient of MA benefits under the G2C category subject to a monthly deductible and is potentially eligible for MSP benefits under the NMB category. Although there was no evidence that Petitioner met her monthly deductible for April 1, 2025, ongoing, there was some discussion regarding Petitioner's inpatient hospitalization in the months of February 2025 and March 2025, potentially allowing her to receive NMB coverage if her deductible was met. The Department did not present any evidence regarding whether Petitioner met her deductible for February 2025 and March 2025. Therefore, the Department is to process eligibility for and activate NMB coverage as allowable by Department policy for February 2025 and March 2025.

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 that Petitioner was eligible for MA under the G2C subject to a monthly deductible of \$834 for May 1, 2025, ongoing but did not act in accordance with Department policy when it determined that Petitioner was ineligible for MSP benefits under the NMB category for February 2025 and March 2025.

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. Redetermine Petitioner's MSP eligibility under the NMB category for February 2025 and March 2025 to determine whether the MA deductible had been met;
2. If the deductible was met and if otherwise eligible, activate Petitioner's MSP coverage under the NMB category for February 2025 and March 2025; and
3. Notify Petitioner in writing of its decision.



ZAINAB A BAYDOUN
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://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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Via First Class Mail:

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