



**Date Mailed:** July 14, 2025

**Docket No.:** 25-020394

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]



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

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**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; 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 July 10, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Rebecca Scott, Eligibility Specialist.

### **ISSUE**

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

Did the Department properly determine Petitioner's eligibility for Medicare Savings Program (MSP)?

### **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 [REDACTED] years old, not married, lives in [REDACTED], and receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$[REDACTED] per month and pension income of \$[REDACTED] per month. (Exhibit A, pp. 5 – 20).
1. On January 17, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved her for MA subject to a monthly deductible of \$1,342, effective January 1, 2025.
2. On [REDACTED] 2025, the Department received an application for MA and Food Assistance Program (FAP) benefits from Petitioner. (Exhibit A, pp. 5 – 19).
3. On February 7, 2025, the Department received a completed Health Care Coverage Supplemental Questionnaire from Petitioner. (Exhibit A, pp. 21 – 24).
4. On February 10, 2025, the Department sent Petitioner a HCCDN that approved Petitioner for Plan First Family Planning (PFFP) MA and denied Petitioner MSP; both decisions were effective January 1, 2025. (Exhibit A, pp. 25 – 26).

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5. On May 20, 2025, the Department received a request for hearing from Petitioner, disputing the Department's determination regarding her MA eligibility and denial of MSP. (Exhibit A, p. 3).
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### **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 to dispute the Department's determination that she was not eligible for full coverage MA, and that she was ineligible for MSP. The Department approved Petitioner for PFFP MA and MA subject to a monthly deductible of \$1,342, and denied her MSP due to excess income. The effective date of the Department's determinations was January 1, 2025.

#### **MA**

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 over 65 and is not the caretaker of a minor child, Petitioner is eligible for MA under only 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, adults who are not married, such as Petitioner, are a fiscal group size of one. BEM 211 (October

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2023), p. 8. Because Petitioner is a fiscal group of one, to be income eligible for this program, her monthly income would have to be \$1,305 or less. RFT 242 (April 2025). In this case, Petitioner and the Department agree that she receives gross RSDI in the amount of \$[REDACTED] per month plus \$[REDACTED] per month in pension income. The total gross amount of RSDI and pension 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. 29 – 32; BEM 541 (January 2025), p. 3; see also BEM 163. Petitioner's gross RSDI and pension income of \$[REDACTED], reduced by \$20, equals \$[REDACTED] 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 \$[REDACTED], and because that is more than the \$1,305 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 Group 2 Aged, Blind, and Disabled (G2S) MA, an SSI-related MA program which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible 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, and
- 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 \$375 for a one-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

In this case, the Department presented a budget showing how Petitioner's G2S deductible was calculated. (Exhibit A, p. 33). From Petitioner's net income of \$[REDACTED], as discussed above, the Department subtracts allowable needs deductions, consisting of health insurance premiums of the MA recipient and remedial services for residents of adult foster care (AFC) or homes for the aged (HA). BEM 544, pp. 1 – 2. There was no dispute that Petitioner pays for Medicare Part B and the evidence established that the Department properly budgeted a deduction of \$185 for Petitioner's Medicare Part B premium. However, there was no evidence that Petitioner lives in AFC or HA; thus, Petitioner was not entitled to any other deduction. When Petitioner's health insurance premium was subtracted from her net income of \$[REDACTED], her countable net income was reduced to \$[REDACTED]. The Department then deducted Petitioner's \$375 PIL from her \$[REDACTED] countable net income, which left \$[REDACTED]. This amount becomes the deductible amount. Therefore, the Department properly determined Petitioner's monthly deductible in the amount of \$1,342 effective January 1, 2025 ongoing.

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It is noted that Petitioner submitted a number of medical bills for consideration in advance of the hearing. (Exhibit 1, pp. 1 – 28). Although the Department acknowledged that it had received medical bills from Petitioner in April 2025, which were applied and resulted in Petitioner being approved for full coverage MA for January and April 2025, it had not received the packet submitted for purposes of the hearing. Petitioner was advised to submit her medical bills to the Department for application against her monthly deductible.

**MSP**

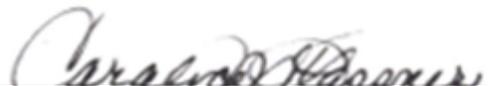
MSPs are SSI-related MA categories that provide assistance with an eligible individual's Medicare expense and, effective June 1, 2024, are divided into four categories: (i) Qualified Medicare Beneficiaries (QMB), (ii) Specified Low-Income Medicare Beneficiaries (SLMB), (iii) Q1 Additional Low-Income 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. 135% of the 2024 FPL for a fiscal group of one was \$1,761. RFT 242 (April 2025). 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 during a benefit month. BEM 165, p. 1.

As previously discussed, as an unmarried individual, Petitioner was a fiscal group of one and had net income of \$[REDACTED]. BEM 211, p. 8. Therefore, because Petitioner's net income was more than \$1,761, the highest net income limit for MSP, the Department properly determined Petitioner was ineligible for ongoing MSP effective January 1, 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 approved Petitioner for G2S MA with a deductible of \$1,342, and denied Petitioner MSP due to excess income, effective January 1, 2025.

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

  
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**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](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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**Via First Class Mail:**

