



Date Mailed: August 8, 2025

Docket No.: 25-021716

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.: 25-021716

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 July 10, 2025. Petitioner appeared and was unrepresented. [REDACTED], Caregiver, was present as a witness for Petitioner. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Marcella Towns, Assistant Payments Worker (APW).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-34.

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. On February 27, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was eligible for: limited coverage MA under the Plan First category effective April 1, 2025; the Medicare Savings Program (MSP) under the NMB category for the period of June 1, 2024 to March 31, 2025; full coverage MA for the month of March 2025; and MA with a monthly deductible of \$1,334.00 effective April 1, 2025 and ongoing. (Exhibit A, pp. 7-11)
2. On May 29, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-4)
3. On May 29, 2025, Petitioner submitted a Redetermination for her MA case. Petitioner also included a monthly Cost of Care verification from [REDACTED], as well as a statement form [REDACTED]. (Exhibit A, pp. 12-17)

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4. The Department redetermined Petitioner's eligibility for MA and found she would have a monthly deductible of \$1,182.00 for MA effective June 1, 2025. (Exhibit A, p. 19)
 5. On May 30, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was eligible for: limited coverage MA under the Plan First category effective June 1, 2025; the Medicare Savings Program (MSP) under the NMB category for the month of May 2025; Full coverage MA for the month of May 2025; and MA with a monthly deductible of \$1,182.00 effective June 1, 2025 and ongoing. (Exhibit A, pp. 20-25)
 6. On June 11, 2025, a Verification Checklist was issued to Petitioner requesting current medical bills or receipts as well as a Medical Needs form with a due date of June 23, 2025. (Exhibit A, pp. 26-32)

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 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.

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Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, 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, 2017, 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, pp. 30-31.

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. Wayne County is part of Shelter Area IV, which has a PIL of \$375.00 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.

There are four categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); Additional Low-Income Medicare Beneficiaries (ALMB); and Non-Categorically Eligible Michigan Beneficiary (NMB). Income is the major determiner of category. For QMB net income cannot exceed 100% of poverty. For SLMB net income is over 100% of poverty, but not over 120% of poverty. For ALMB net income is over 120% of poverty, but not over 135% of poverty. For NMB, income and assets above allowed ALMB limits but have full coverage Medicaid with Medicare part A/B entitlement. BEM 165, July 1, 2024, p. 1.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) and the MSP categories. Effective April 1, 2025, for a group size of one the income limit for MA-AD and QMB is \$1,325.00; for SLMB the income limit is \$1,325.01 to \$1,585.00; and for ALMB the income limit is \$1,585.01 to \$1,781.00. The RFT 242 policy notes that these amounts are the applicable percentage of the federal poverty limit plus the \$20.00 disregard for RSDI income. RFT 242, April 1, 2025, p. 1.

In this case, on February 27, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was eligible for: limited coverage MA under the Plan First category effective April 1, 2025; the Medicare Savings Program (MSP) under the NMB category for the period of June 1, 2024 to March 31, 2025; full coverage MA for the month of March 2025; and MA with a monthly deductible of \$1,334.00 effective April 1, 2025 and ongoing. (Exhibit A, pp. 7-11). This was based on RSDI income of \$ [REDACTED], which exceeded the limit for full coverage MA-AD of \$1,325.00. The Department then calculated a monthly deductible for Petitioner. The Department considers the \$20.00 disregard as well as the PIL of \$375.00. The Department would not have considered the COLA exclusion because the months eligibility was being determined for were after January, February, and March 2025. 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). It appears that the Department considered that Petitioner was responsible for the additional insurance premium with Citizens Security. However, either the verified insurance premium amount at that time was less, or the Department did not include the Medicare Part B premium in this calculation as only \$348.00 was used for insurance premiums. (Exhibit A, pp. 1, 6, and 17). This may be a system error due to Petitioner being approved for the MSP at the time of the determination even though the notice indicates Petitioner would not be eligible for the

MSP as of April 1, 2025. Further, it appears that there was an error on the Notice because the MA deductible budget effective April 1, 2025 shows the calculated deductible was \$1,367.00, rather than the \$1,334.00 stated on the Notice.

On May 29, 2025, Petitioner filed the hearing request as well as a Redetermination for her MA case with additional verifications. (Exhibit A, pp. 3-4 and 12-17). The Department redetermined Petitioner's eligibility for MA and found she would have a monthly deductible of \$1,182.00 for MA effective June 1, 2025. (Exhibit A, p. 19). Petitioner's income still exceeded the limit for full coverage MA-AD of \$1,325.00. The Department then completed the deductible calculation. The Department department considered that Petitioner was responsible for the Medicare Part B premium and the additional insurance premium with Citizens Security. (Exhibit A, pp. 1 and 19). On May 30, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was eligible for: limited coverage MA under the Plan First category effective June 1, 2025; the Medicare Savings Program (MSP) under the NMB category for the month of May 2025; Full coverage MA for the month of May 2025; and MA with a monthly deductible of \$1,182.00 effective June 1, 2025 and ongoing. (Exhibit A, pp. 20-25).

Additionally, in accordance with the income limits for the MSP categories as set forth in RFT 242, Petitioner was not eligible for the MSP under the QMB, SLMB, and ALMB categories and could not be eligible under the NMB category because she was not eligible for full coverage MA along with the Medicare Part A/B entitlement.

This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies, which include the income limit for MA-AD Care. Based on the available income information, the Department appears to have made an error with the MA eligibility determination effective April 1, 2025. It is unclear if the verified insurance premium amount for Citizens Security was different at that time, or if the Medicare premium was not included in the deductible budget. Further, the calculated deductible amount on the April 1, 2025 budget differs from the amount listed on the Health Care Coverage Determination Notice. Accordingly, Petitioner's eligibility for MA should be redetermined as of April 1, 2025.

DECISION AND ORDER

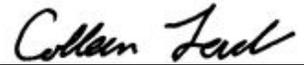
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for MA as of April 1, 2025

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

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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 Petit8oiner's eligibility for MA as of the April 1, 2025 effective date in accordance with Department policy.



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. 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

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.

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Via Electronic Mail:

Respondent

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INKSTER, MI 48141

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Via First Class Mail:

Petitioner

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