



Date Mailed: August 25, 2025

Docket No.: 25-023102

Case No.: [REDACTED]

Petitioner: [REDACTED]

This is an important legal document. Please have someone translate the document.

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

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[REDACTED] MI [REDACTED]

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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 28, 2025. Petitioner was represented by their Authorized Hearing Representative (AHR) and sister, [REDACTED]. The Department of Health and Human Services (Department) was represented by Rosemary Molsbee-Smith.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) effective April 1, 2025?

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, single, disabled, and lives in [REDACTED]. (Exhibit A, pp. 9 – 12).
1. In December 2023, Petitioner began receiving Retirement, Survivors, and Disability Insurance (RSDI) income due to a disability. (Exhibit A, p. 38, Serial No. 20).
2. In 2024, Petitioner's RSDI income was \$ [REDACTED] per month. (Exhibit A, p. 33; p. 38, Serial No. 20).
3. Beginning January 1, 2025, Petitioner's RSDI income increased to \$ [REDACTED] per month. (Exhibit A, p. 34).
4. Effective December 1, 2024, the Department changed Petitioner's MA coverage from Healthy Michigan Plan (HMP) to Plan First Family Planning (PFFP MA), and MA subject to a monthly deductible of \$1,927. (Exhibit A, p. 35; p. 38, Serial No. 20).
5. From January 1, 2025 to March 31, 2025, Petitioner's monthly MA deductible was reduced to \$1,870. (Exhibit A, pp. 33, 35).

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6. Effective April 1, 2025, Petitioner's monthly MA deductible was increased to \$1,986. (Exhibit A, pp. 34 – 35).
 7. On April 29, 2025, the Department received a completed renewal application for MA for Petitioner. The application reported that Petitioner is disabled and unable to cook, drive, dress, groom, or talk, and has limited cognitive abilities. (Exhibit A, pp. 9 – 12).
 8. On April 30, 2025, the Department sent Petitioner a Verification Checklist (VCL) that requested verification of Petitioner's medical expenses and checking account by May 12, 2025. (Exhibit A, pp. 18 – 19).
 9. On May 15, 2025, the Department received verification of at least four prescriptions for Petitioner, each for a 90-day supply, that totaled \$3,266.46 and were dated May 15, 2025. (Exhibit A, pp. 20 – 23).
 10. On May 15, 2025, the Department also received a bank statement for Petitioner's checking account ending [REDACTED] for the period ending April 21, 2025. (Exhibit A, pp. 24 – 25).
 11. On May 16, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved him for MA as follows:
 - a) Effective May 1, 2025 to May 15, 2025, for MA subject to a monthly deductible of \$1,986,
 - b) Effective May 16, 2025 to May 31, 2025, for full coverage MA,
 - c) Effective June 1, 2025 ongoing, for PFFP MA, and
 - d) Effective June 1, 2025 ongoing, for MA subject to a monthly deductible of \$1,986.(Exhibit A, pp. 26 – 27).
 12. On June 9, 2025, the Department received a request for hearing from Petitioner's AHR, disputing the Department's determination regarding his MA eligibility. (Exhibit A, pp. 4 – 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 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, through his AHR, requested a hearing to dispute the Department's determination regarding his MA eligibility and changing deductible amount. The Department approved Petitioner for PFFP MA and MA subject to a monthly deductible of \$1,986 effective April 1, 2025.

Under federal law, an individual is entitled to the most beneficial MA 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. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

Petitioner is single, under ■■■, disabled, and not the caretaker of a minor child. There was no evidence that Petitioner is a Medicare recipient. Therefore, Petitioner is potentially eligible for a) full-coverage HMP b) full-coverage SSI-related AD-Care, c) SSI-related Group 2 Aged, Blind, and Disabled (G2S) MA, and/or d) PFFP MA. Because HMP and AD-Care both offer full MA coverage with no deductible, they are more beneficial coverages for Petitioner than G2S or PFFP MA. Petitioner's AHR did not dispute the Department's approval of Petitioner for PFFP MA.

HMP

Because HMP has a higher income limit than AD-Care MA, it is a more beneficial MA coverage than AD-Care MA. To qualify for health care coverage under HMP, which is a Modified Adjusted Gross Income (MAGI)-related MA program, the individual must be 19 – 64 years of age, not qualify for or be enrolled in Medicare, and have income at or below 133% of the Federal Poverty Level (FPL) for their group size, among other criteria. BEM 137, p. 1.

An individual's group size for MAGI purposes requires consideration of the individual's tax filing status, and because Petitioner has no spouse or dependents and there was no evidence that he is a tax dependent of someone else, he has a household size of one.

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BEM 211 (October 2023), pp. 1 – 2. Additionally, for MAGI-related plans, a 5% disregard is available to make individuals eligible who would otherwise not be eligible and increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500 (April 2022), p. 5.

For 2025, the annual FPL for a household size of one is \$15,650, and the 5% disregard is \$783. 90 FR 5917 (January 2025), No. 2025-01377, pp. 5917-5918. Based on the FPL, the HMP income limit is \$20,814.50 annually, or \$1,734.54 per month. When the 5% disregard is added, the total income limit for HMP is \$21,597, or \$1,799.75 per month.

In this case, there was no dispute that effective January 2025, Petitioner began receiving gross RSDI income in the amount of \$ [REDACTED] per month. For purposes of MAGI-related MA, all RSDI income is countable for tax-filers and adults not claimed as dependents. BEM 503 (January 2025), pp. 30 – 31. Therefore, because Petitioner's RSDI income of \$ [REDACTED] is more than the income limit for HMP, and there was no evidence that he is a tax dependent of someone else, the Department properly determined Petitioner was not eligible for HMP.

AD-Care MA

To qualify for full coverage SSI-related AD-Care MA, the client's net income cannot exceed 100% of the Federal Poverty Level (FPL) for the fiscal group size. BEM 163 (June 2017), p. 1. For SSI-related MA purposes, adults who are not married, such as Petitioner, are a fiscal group size of one. BEM 211, p. 8. Because Petitioner is a fiscal group of one, to be income eligible for this program his monthly income would have to be \$1,305 or less, effective April 1, 2025. RFT 242 (April 2025). The total gross amount of RSDI 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. 30 – 32; BEM 541 (January 2025), p. 3; BEM 163, p. 1.

Petitioner's gross RSDI 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, because Petitioner's countable net income of \$ [REDACTED] is more than the \$1,305 limit for AD-Care MA, the Department properly determined Petitioner was not eligible for AD-Care MA.

G2S MA

Disabled 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 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

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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). However, federal law requires cost-of-living (COLA) increases received in January to be disregarded for January, February, or March of the current year, and become effective for purposes of MA on April 1 of each year. BEM 503, pp. 30 – 31. 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 Oakland County, where Petitioner resides, is \$408 for a one-person fiscal group. RFT 200 (April 2017); RFT 240 (December 2013).

In this case, the Department presented a budget showing how Petitioner's G2S deductible, effective April 1, 2025, was calculated. (Exhibit A, p. 34). From Petitioner's SSI-related net income of \$██████, 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 does not live in AFC or HA or pay any health insurance premiums. The Department explained that because Petitioner was not entitled to any additional deductions from his net income, it reduced Petitioner's net income only by his \$408 PIL and determined the remaining amount of \$██████ was his deductible amount.

For G2S MA coverage, income eligibility for MA exists for all or part of the month when allowable medical expenses equal or exceed the excess income, which is the deductible amount. BEM 545 (July 2022), pp. 1, 3. For medical expenses equal to or greater than the deductible amount, income eligibility for full-coverage MA begins the day after the day the expenses equaled the excess income. BEM 545, pp. 4 – 5.

Here, Petitioner's AHR submitted bills to the Department dated May 15, 2025, showing that Petitioner had incurred prescription expenses totaling \$3,266.46. The Department applied the expense to Petitioner's deductible and activated full coverage Medicaid for expenses exceeding \$1,986 as of May 15, 2025. The Department's action was in accordance with policy.

However, Petitioner's AHR asserted that because Petitioner had ongoing prescription expenses, those expenses should be applied to future months and activate full coverage as of the beginning of the month. For clients who are not in AFC or HA, such as Petitioner, income eligibility for full-coverage MA exists for the balance of a month only when:

- a) Allowable old bills equal to or exceeding the client's excess income are provided to the Department, or
- b) Bills for personal care services in the client's home, as outlined in BEM 545, Exhibit ID, are equal to or exceeding the client's excess income are provided

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to the Department, and the client meets the eligibility requirements of BEM 545, Exhibit II.

BEM 545, pp. 6, 9, 21 – 26.

Although Petitioner's AHR testified that Petitioner has received home help services since 2023, there was no evidence that services were currently being provided and billed, and there was no dispute that no bills related to home help or personal care services were provided to the Department.

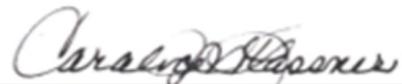
Therefore, because Petitioner's reported medical expenses were not old bills or related to personal care services, Petitioner is required to submit his prescription expenses monthly and the Department will consider the date the expense was incurred to determine if Petitioner met his deductible and when full-coverage MA could be activated.

It is noted that Petitioner also disputed the increase to his deductible amount as of April 1, 2025. As cited previously, the Department does not budget any COLA increase effective on January 1 each year, until April 1 of that year. BEM 503, pp. 30 – 31. The Department explained that it determined Petitioner's monthly MA deductible for January 1, 2025 to March 30, 2025, based on his RSDI income as of December 2024, and for April 1, 2025 ongoing based on Petitioner's RSDI income as of January 1, 2025; which was consistent with Department policy.

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's MA eligibility effective April 1, 2025.

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



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

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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