



Date Mailed: August 29, 2025
Docket No.: 25-023998
Case No.: [REDACTED]
Petitioner: [REDACTED]

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

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Docket No.: 25-023998

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 August 4, 2025. Petitioner appeared with her daughter, [REDACTED] who testified on Petitioner's behalf. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Rafiq Hussein, Eligibility Specialist. The hearing was conducted by ALJ Zainab Baydoun. Because ALJ Baydoun is not available, the undersigned has reviewed the record in its entirety and issues this decision pursuant to Mich Admin Code, R 792.10106(7).

ISSUE

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

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 has been an ongoing recipient of MA under the Group 2 SSI-related (G2S) program since 2016.
2. As of March 2025, Petitioner was approved for G2S coverage with a monthly \$1,068 deductible.
3. Petitioner is not married and receives [REDACTED] monthly in gross Retirement, Survivors and Insurance (RSDI) income and [REDACTED] monthly in pension income. The State pays her Part B Medicare premium.
4. Petitioner was notified that her deductible had increased to \$1,100 effective August 1, 2025.
5. Petitioner submitted medical expenses to MDHHS.
6. On June 19, 2025, MDHHS received Petitioner's hearing request disputing her MA and indicating that she had submitted current and old bills to meet her deductible. (Exhibit A, p. 3)

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 is an ongoing recipient of MA under the G2S program who disputed her coverage and MDHHS's failure to apply her medical bills to her deductible.

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. Individuals may also qualify for limited MA coverage under the Plan First Family Planning (PFFP) program. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1.

Because Petitioner is a Medicare recipient, Petitioner is not eligible for MA under HMP. See BEM 137, p. 1. Because Petitioner is receiving RSDI based on her age or disability, Petitioner is potentially eligible for MA under SSI-related categories only. In determining Petitioner's eligibility for SSI-related MA, MDHHS must determine Petitioner's MA fiscal group size and the group's net income. As an unmarried individual, Petitioner has fiscal group size for SSI-related MA purposes of one. BEM 211 (October 2023), p. 8.

Petitioner is not employed, and her monthly income consists of unearned RSDI benefits totaling [REDACTED] and a [REDACTED] monthly pension for total monthly income of [REDACTED]. To determine net income, Petitioner's gross income of [REDACTED] was reduced by a \$20 disregard, which is the only deduction available to Petitioner under policy where Petitioner did not receive earnings, was not responsible for court-ordered child support, did not incur blind- or impairment-related work expenses, was not the caretaker of a minor child, and did not have guardianship or conservator expenses. BEM 541 (January 2024), pp. 1-3. This results in net income of [REDACTED] for MA purposes.

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Based on this net income, Petitioner has excess income for eligibility under the AD-Care program, the full-coverage SSI-related MA program, which as of April 2025 has an income limit of [REDACTED] for a single-person MA group. BEM 163 (July 2017), p. 2; RFT 242 (April 2025), p. 1; <https://aspe.hhs.gov/poverty-guidelines>.

However, disabled, blind and aged (over 65) individuals who are not eligible for full-coverage MA coverage because of excess income and who are not employed may still be eligible for SSI-related MA under a G2S program, which provides for MA coverage with a monthly deductible. BEM 105, p. 1. The deductible is in the amount that a client's net income (less any allowable needs deductions) exceeds the applicable Group 2 MA protected income levels (PIL). The PIL is a set amount for non-medical need items such as shelter, food and incidental expenses. The PIL is identified in policy based on the client's MA fiscal group size and county of residence. BEM 105, p. 1; BEM 166 (April 2017), pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in Wayne County, is [REDACTED] per month. RFT 200, p. 2; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) exceeds [REDACTED] Petitioner is eligible for MA assistance under the deductible program, with the deductible equal to the amount that monthly net income, less allowable deductions, exceeds [REDACTED] BEM 545 (July 2022), pp. 2-3.

Under MDHHS policy, allowable needs deductions consist of health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, Petitioner does not reside in an adult foster care home or home for the aged and, as such, is not eligible for any remedial service allowances. The State pays Petitioner's Part B Medicare premium and there was no evidence that she paid any other health insurance premiums. Therefore, Petitioner had no allowable needs deductions to her net income. Petitioner's net income of [REDACTED] reduced by the [REDACTED] PIL results in a deductible of \$1,100, consistent with MDHHS's testimony about the deductible amount as of August 1, 2025. Thus, the Department properly determined Petitioner's eligibility for SSI-related MA with a monthly deductible.

Petitioner argued that she had submitted medical bills to MDHHS to be applied towards her deductible. Income eligibility for full-coverage MA exists when allowable medical expenses equal or exceed the deductible amount. BEM 545 (July 2022), p. 1. MDHHS explained that it processed the submitted bills and found that, because they did not equal or exceed her deductible, Petitioner was not eligible for full-coverage MA.

However, policy further provides that for a calendar month in which MDHHS is processing an individual's MA income eligibility, MDHHS must consider, in relevant part, "old bills" before considering allowable medical expenses incurred during the month for which eligibility is being determined. BEM 545, pp. 11, 16. Medical expenses for

acceptable medical services can be used as “old bills” if they meet all the following criteria:

- The expense was incurred in a month prior to the month being tested.
- During the month being tested:
 - The expense is/was still unpaid, **and**
 - Liability for the expense still exists (existed).
- A third-party resource is **not** expected to pay the expense.
- The expense was **not** previously used to establish MA income eligibility.
- The expense was one of the following:
 - Incurred on a date the person had no MA coverage.
 - **Not** an MA covered service.
 - Provided by a non-MA enrolled provider.
- A member of the medical group incurred the expense. This includes expenses incurred by a deceased person if both:
 - The person was a medical group member's spouse or unmarried child under 18.
 - The medical group member is liable for the expense.

BEM 545, Exhibit IB, p. 20.

Here, MDHHS acknowledged that Petitioner had submitted bills for medical expenses she incurred that did not meet the deductible for the month incurred. However, MDHHS did not present any evidence concerning whether it the expenses met the criteria as “old bills” and, if so, whether it applied them to the assessment of income eligibility for full-coverage MA for subsequent months. Therefore, MDHHS failed to satisfy its burden of showing that it acted in accordance with policy when it determined whether Petitioner had met her deductible.

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 MDHHS acted in accordance with policy when it determined that Petitioner was eligible for MA subject to a monthly deductible of \$1,100 but failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Petitioner's submitted bills to determine whether she had met her deductible.

Accordingly, MDHHS's decision concerning whether Petitioner had met her MA deductible 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 if Petitioner has old bills that can be used to activate her MA coverage for June 1, 2025 ongoing;
2. If eligible, activate Petitioner's MA coverage from the date of eligibility and provide her with MA coverage she is eligible to receive; and
3. Notify Petitioner in writing of its decision.


ALICE C. ELKIN
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

WAYNE-HAMTRAMCK-DHHS

12140 JOSEPH CAMPAU

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Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]

