



**Date Mailed:** October 2, 2025  
**Docket No.:** 25-027759  
**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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**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 September 2, 2025. Petitioner was represented by [REDACTED], husband. Petitioner was present. [REDACTED], advocate, appeared as a witness for Petitioner. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Colleen McKenna, Eligibility Specialist (ES).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-29.

### **ISSUE**

Did the Department properly determine Petitioner's husband'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 July 9, 2025, Petitioner submitted a Redetermination for MA and reported her Supplemental Security Income (SSI) income of \$ [REDACTED] per month and her husband's disability income of \$ [REDACTED] per month. (Exhibit A, pp. 14-21)
2. The Department verified that Petitioner's husband's gross Retirement, Survivors, and Disability Insurance (RSDI) benefits amount was \$ [REDACTED]. (Exhibit A, p. 1; ES Testimony)
3. On July 9, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner's husband would have a monthly deductible of \$862.00 for his MA coverage effective August 1, 2025. (Exhibit A, pp. 22-29)
4. On July 21, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-11)

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5. The Department re-determined ongoing MA eligibility for Petitioner's husband based on a group size of one because Petitioner receives SSI benefits. This resulted in a deductible amount of \$987.00 per month. (Exhibit A, p. 1; ES Testimony)
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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.

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.

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

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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. However, SSI recipients cannot be fiscal or asset group members. BEM 211, p. 7. For SSI related MA groups, the Department is to determine the fiscal group for each person who is requesting MA. The fiscal group must be determined separately for each person. BEM 211, October 1, 2023, p. 7. With the exception of long term care/hospitalization, waivers, or freedom to work, when an adult is applying for any MA program the fiscal and asset group is the adult applicant and the spouse. BEM 211, p. 8.

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, July 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. Midland County is part of Shelter Area V, which has a PIL of \$391.00 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 Medicare Savings Program (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, Petitioner submitted a Redetermination for MA on July 9, 2025, and reported her SSI income of \$ [REDACTED] per month and her husband's disability income of \$ [REDACTED] per month. (Exhibit A, pp. 14-21). The Department verified that Petitioner's husband's gross RSDI benefits amount was \$ [REDACTED]. (Exhibit A, p. 1; ES Testimony). The Department determined Petitioner's husband's ongoing eligibility for MA based on the current RSDI income amount. On July 9, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner's husband would have a monthly deductible of \$862.00 for his MA coverage effective August 1, 2025. (Exhibit A, pp. 22-29). However, that deductible calculation was in error because it was based on an MA group size of two. The Department has re-determined ongoing MA eligibility for Petitioner's husband based on a group size of one because Petitioner receives SSI benefits. This resulted in a deductible amount of \$987.00 per month. (Exhibit A, p. 1; ES Testimony).

Petitioner's husband questioned how the deductible was calculated because he was not much over the income limit for full coverage MA. (Husband Testimony). Petitioner's husband's gross unearned income is \$ [REDACTED] from RSDI benefits, which exceeds the limit for full coverage MA-AD of \$1,325.00. However, the deductible is not based on the difference between the countable income and the MA AD care income limit. The Department followed the applicable policy to calculate a monthly deductible for Petitioner's husband. The Department considers the \$20.00 disregard as well as the PIL of \$391.00. 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).

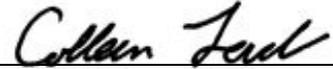
This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies. Based on the available income information, the Department properly determined Petitioner's husband's eligibility for MA.

### **DECISION AND ORDER**

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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 husband's eligibility for MA with the corrected group size of one.

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



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**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](https://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.

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**Via Electronic Mail:**

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**Via First Class Mail:**

**Petitioner**

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**Authorized Hearing Rep**

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[REDACTED] MI [REDACTED]