



**Date Mailed:** October 3, 2025  
**Docket No.:** 25-028061  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

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

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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**Docket No.:** 25-028061

**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 4, 2025. Petitioner appeared for the hearing and represented herself. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Marcella Towns, Hearing Coordinator.

### **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 is an ongoing recipient of MA under the Group 2 SSI-related Aged Blind Disabled (G2S) category subject to a monthly deductible.
2. In connection with a redetermination, Petitioner's MA eligibility was reviewed. After processing Petitioner's redetermination, the Department determined that she continued to be eligible for MA under the G2S category. However, Petitioner's MA deductible would be increased from \$1,034 to \$1,070.
3. Petitioner was approved for MA under the G2S category with a monthly deductible of \$1,070 effective July 1, 2025.
4. On or around July 29, 2025, Petitioner requested a hearing disputing the Department's actions with respect to the MA program.

### **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).

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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.

In this case, Petitioner disputed the Department's determination that she was ineligible for MA under a full coverage program.

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, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (October 2023), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

Because Petitioner is enrolled in Medicare, she is not eligible for full coverage MA under the HMP. There was also no evidence that Petitioner was the parent or caretaker of any minor children. Thus, the Department properly concluded that Petitioner was eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65. BEM 105, p. 1. Individuals are eligible for Group 1 coverage, with no deductible, if their income falls below the income limit, and eligible for Group 2 coverage, with a deductible that must be satisfied before MA is activated, when their income exceeds the income limit. BEM 105, p. 1. Ad-Care coverage is a SSI-related Group 1 MA category which must be considered before determining Group 2 MA eligibility. BEM 163 (July 2017), p. 1. Eligibility for Ad-Care is based on the client meeting nonfinancial and financial eligibility criteria. BEM 163, pp. 1-2. The eligibility requirements for Group 2 MA and Group 1 MA Ad-Care are the same, other than income. BEM 166 (April 2017), pp. 1-2.

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Income eligibility for the Ad-Care program is dependent on MA fiscal group size and net income which cannot exceed the income limit in RFT 242. BEM 163, p. 2. Petitioner has a MA fiscal group of one. BEM 211 (October 2023), pp. 5-8. Effective April 1, 2025, an MA fiscal group with one member is income-eligible for full-coverage MA under the Ad-Care program if the group's net income is at or below ██████ which is 100 percent of the Federal Poverty Level, plus the \$20 disregard. RFT 242 (April 2025), p. 1. Thus, the income limit for Ad-Care eligibility is ██████

The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163. The Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p. 2.

The Department asserted that Petitioner had excess income for the Ad-Care program. The Department representative testified that it considered Petitioner's unearned income which totaled ██████ and was based on her receipt of gross monthly Social Security Disability benefits. Petitioner confirmed that the monthly unearned income amount identified by the Department was correct and the amount was verified using the SOLQ. Petitioner is eligible for an unearned income general exclusion of \$20. BEM 503 (January 2023), pp. 29-30. Therefore, the Department determined that Petitioner had countable income of ██████

After further review of Department policy and based on the testimony provided at the hearing, because Petitioner's ██████ countable income exceeds the net income limit for the Ad-Care program, the Department acted in accordance with Department policy when it determined that Petitioner was ineligible for full coverage MA benefits under the Ad-Care program without a deductible and determined that she would be eligible for MA under the Group 2 Aged Blind Disabled (G2S) program with a monthly deductible.

Additionally, 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. BEM 545 (July 2022), p. 10. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, pp. 1-2; BEM 166, pp. 1-2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, p. 1. The monthly PIL for an MA group of one living in ██████ County is ██████ per month. RFT 200 (April 2017), pp. 1-2; RFT 240, p. 1. Thus, if Petitioner's net monthly income is in excess of the ██████ she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds ██████ BEM 545, p. 1. To meet a deductible, a MA client must report and verify allowable medical expenses (defined in Exhibit I) that equal or exceed the deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11.

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The Department is to add periods of MA coverage each time the group meets its deductible. BEM 545, p.11.

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The Department determined that effective July 1, 2025, Petitioner was eligible for MA under the G2S category with a monthly deductible of \$1,070. The Department reviewed the SSI-Related Medicaid Income Budget, to determine whether the Department properly calculated the amount of Petitioner's deductible. (Exhibit A, p. 12). As referenced above, the Department properly considered unearned income from Social Security Disability benefits in the gross total amount of [REDACTED] and properly applied the \$20 unearned income exclusion.

Because Petitioner was approved for the Medicare Savings Program, the State of Michigan was responsible for paying Petitioner's Medicare premiums and there was no evidence presented that Petitioner had any additional monthly insurance premiums. There was no evidence that Petitioner was entitled to any additional deductions to income such as guardianship/conservator expenses or remedial services. Thus, the budget did not reflect any additional income deductions.

Upon review, the Department properly considered Petitioner's unearned income and took into consideration the appropriate deductions to income. Based on the evidence presented because Petitioner's countable income of [REDACTED] for MA purposes exceeds the monthly protected income level of [REDACTED] by \$1,070, the Department properly calculated Petitioner's monthly \$1,070 MA deductible in accordance with Department policy. Therefore, based on the information relied upon by the Department, the Department properly determined that Petitioner was eligible for MA under the G2S program with a monthly deductible of \$1,070 effective July 1, 2025.

Petitioner raised additional concerns regarding the Department's failure to process and apply medical bills/expenses to her monthly deductible. Petitioner asserted that she submitted numerous medical expenses to the Department. Income eligibility for full-coverage MA exists when allowable medical expenses equal or exceed the deductible amount. BEM 545 (July 2022), p. 1. The Department representative initially testified that Petitioner did not submit medical expenses or bills to the Department and instead, only submitted documents which contain explanations of benefits and were clearly identified as not bills. The Department testified that Petitioner submitted documents that did not identify dates of service and could not be used. The Department initially testified that it received no acceptable verification of medical expenses from Petitioner for consideration. However, after some inquiry, the Department reviewed the electronic case file and located several medical expenses that were submitted to the Department on various dates. The Department testified that among other expenses, Petitioner submitted hospital bills totaling \$40,194.63 for a [REDACTED], 2025, service date. The Department identified several other expenses submitted which show that Petitioner may have met her deductible for certain months. While the Department stated that some of the expenses were considered old bills, the Department acknowledged that the medical expenses submitted were not properly reviewed and were not processed in accordance with the policy outlined in BEM 545.

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**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 did not act in accordance with Department policy when it processed Petitioner's MA eligibility.

Accordingly, the Department's decision 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. Process Petitioner's medical expenses incurred and apply them towards her MA deductible for the applicable months, taking into consideration the old bills policy, if applicable;
2. Provide MA coverage to Petitioner's for the months in which her MA deductible was met, in accordance with the above and in accordance with Department policy; and
3. Notify Petitioner of its decision in writing.

  
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**ZAINAB A. BAYDOUN**  
**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://irs.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**

WAYNE-INKSTER-DHHS

26355 MICHIGAN AVE

INKSTER, MI 48141

**MDHHS-WAYNE-19-HEARINGS@MICHIGAN.GOV**

**Via First Class Mail:**

**Petitioner**

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