



Date Mailed: November 20, 2025
Docket No.: 25-028264
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.: 25-028264

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 in person on October 15, 2025. Petitioner appeared and was unrepresented. Mindi Baker, daughter, appeared as a witness for Petitioner. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Melissa Stanlkey, Hearing Facilitator, and Devona Gilbert, Back-up Hearing Facilitator.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-36 and Petitioner's additional documentation was admitted as Exhibit 1, pp. 1-20.

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 [REDACTED] 2025, Petitioner applied for MA benefits and requested retroactive MA coverage. Petitioner reported monthly income from a pension of \$ [REDACTED] and Social Security Administration (SSA) issued Retirement, Survivors, and Disability Insurance (RSDI) benefits of \$ [REDACTED]. (Exhibit A, pp. 6-22)
2. On July 18, 2025, Petitioner submitted a Retroactive Medicaid Application and a Health Care Coverage Supplemental Questionnaire. (Exhibit A, pp. 23-29)
3. On July 21, 2025, a Health Care Coverage Determination Notice was issued to Petitioner approving full coverage MA for the period of April 1, 2025 to June 30, 2025; a monthly deductible of \$1,190.00 for the month of July 2025; and a monthly deductible of \$1,174.00 as of August 1, 2025; and she was approved for the Medicare Savings Program under the ALMB category as of July 1, 2025. (Exhibit A, pp. 31-36)

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4. On August 5, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-4)
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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 determining eligibility for MAGI-related and SSI-related Group 1 categories.

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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. Other retirement income includes annuities, private pensions, military pensions, and state and local government pensions. The Department counts the gross benefit amount as unearned income. BEM 503, pp. 29-30.

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. Saginaw 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 $\frac{1}{2}$ 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, Petitioner applied for MA benefits on [REDACTED] 2025, reported monthly income from a pension of \$[REDACTED] and SSA issued RSDI benefits of \$[REDACTED]. (Exhibit A, pp. 6-22). On July 21, 2025, a Health Care Coverage Determination Notice was issued to Petitioner approving full coverage MA for the period of April 1, 2025 to June 30, 2025; a monthly deductible of \$1,190.00 for the month of July 2025; and a monthly deductible of \$1,174.00 as of August 1, 2025; and she was approved for the Medicare Savings Program under the ALMB category as of July 1, 2025. (Exhibit A, pp. 31-36). The Department acknowledged that the full coverage for April through June 2025 was approved in error as Petitioner's income had not been entered into the system for a proper determination to be made. (Exhibit A, p. 1).

Petitioner's gross unearned income is \$[REDACTED] from the pension and RSDI benefits, which exceeded the limit for full coverage MA-AD of \$1,325.00. The Department then calculated a monthly deductible for Petitioner. The deductible budget was reviewed with Petitioner. The Department considered the \$20.00 disregard as well as the PIL of \$391.00. (Exhibit A, p. 30) 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).

Petitioner had questions and concerns about her future MA eligibility when she will need to enter a long term care facility. (Petitioner Testimony). As discussed, the hearing decision cannot address Petitioner's future eligibility for MA as her circumstances change. There is only jurisdiction to review the MA determination made within the 90 days before the hearing request was filed.

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 and the amount of the PIL. Based on the available income information, the Department properly determined Petitioner's eligibility for MA once the income was correctly entered into the system.

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 eligibility for MA.

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


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

SAGINAW COUNTY DHHS
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Via First Class Mail:

Petitioner

[REDACTED]
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