



Date Mailed: December 19, 2025

Docket No.: 25-030300

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

Date Mailed: December 19, 2025

Docket No.: 25-030300

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 commenced via telephone conference on September 25, 2025 and was completed on October 16, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Jennipher Wheeler, Family Independence Manager (FIM).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-18 and Petitioner's additional documentation was admitted as marked as Exhibits 1-5.

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. A June 2, 2025 letter from the Department of Corrections documents that Petitioner was incarcerated as of September 26, 2024 and was released on May 25, 2025. (Exhibit A, p. 18; Exhibit 2)
2. On [REDACTED] 2025, Petitioner applied for MA and other benefits. (Hearing Summary; FIM Testimony)
3. Petitioner was receiving full coverage MA under the Adult Disabled (AD) Care category based on being incarcerated. The MA-AD care coverage continued until July 31, 2025. (Hearing Summary; Exhibit A, p. 5; FIM Testimony)
4. Petitioner receives income from Retirement, Survivors, and Disability Insurance (RSDI) benefits of \$ [REDACTED] per month. (Hearing Summary; Exhibit A, p. 9; FIM Testimony)

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5. On June 13, 2025, a Verification Checklist was issued to Petitioner requesting verification of assets with a due date of June 23, 2025. (Hearing Summary; FIM Testimony)
 6. On June 13, 2025, a Health Care Coverage Determination notice was issued to Petitioner denying the Medicare Savings Program due to excess income. (Hearing Summary; FIM Testimony)
 7. On June 24, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part denying MA effective August 1, 2025 based on a failure to provide verification of assets and initiating closure of the MA-AD Care coverage. (Hearing Summary; Exhibit A, pp. 9-12; FIM Testimony)
 8. On July 2, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part approving MSP for the month of June 2025 in error. (Hearing Summary; Exhibit A, pp. 13-17; FIM Testimony)
 9. On July 14, 2025, a Health Care Coverage Determination Notice was issued to Petitioner denying the MSP effective July 1, 2025 based on not meeting basic criteria for the program and not applying for this program. (Exhibit 1)
 10. On August 10, 2025, Petitioner submitted a hearing request contesting the MA determinations. (Hearing Request with Exhibits1-5)
 11. The Department determined that Petitioner's income from RSDI benefits exceeds limit for full coverage MA under the MA-AD Care category (\$1,325.00) and the limit for the MSP benefits (\$1,781.00). (Hearing Summary; FIM Testimony)
 12. On August 22, 2025, Petitioner was approved for MA with a monthly deductible of \$2,532.00 as of August 1, 2025. (Hearing Summary; Exhibit A, p. 11; FIM Testimony)

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

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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. 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, 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. Muskegon County is part of Shelter Area III, which has a PIL of \$350.00 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.

The Medicare Savings Programs (MSP) are SSI-related MA categories but are neither Group 1 nor Group 2. 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. The MSP benefit across all four categories is payment of the Medicare Part B premium. BEM 165, p. 2.

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, there were several notices issued regarding numerous MA and MSP eligibility determinations issued. Copies of some, but not all, of these notices were included in the parties exhibits. It appears that these notices had multiple determinations on each notice with varying reasons. (Hearing Summary; Exhibit A, pp. 9-17; Exhibit 1). Based on the case comments, it appears that part of the reason for the numerous MA and MSP determinations was system errors that would change Petitioner's status back to being incarcerated despite the Department having received verification of Petitioner's release and updating his case. (Exhibit A, pp. 1-3). However, the Department has corrected those errors and redetermined Petitioner's eligibility for MA and MSP benefits. (Hearing Summary; Exhibit A, p. 11; FIM Testimony).

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Petitioner applied for MA on May 30, 2025. However, the full coverage MA-AD Care he was receiving when he was incarcerated did not end until July 31, 2025. Accordingly, there is no need to review Petitioner's MA eligibility prior to August 1, 2025 because he has full coverage MA for May, June, and July 2025. (Hearing Summary; Exhibit A, p. 5; FIM Testimony).

Petitioner receives income from RSDI benefits of \$ [REDACTED] per month. (Hearing Summary; Exhibit A, p. 9; FIM Testimony). Petitioner confirmed that the RSDI benefit amount was correct for August 2025. (Petitioner Testimony). Accordingly, Petitioner's income exceeds the income limit for full coverage MA under the MA-AD Care category for a group size of one of \$1,325.00. See RFT 242, April 1, 2025, p. 1.

The Department then calculated a monthly deductible for Petitioner. The Department considers the \$20.00 disregard as well as the PIL of \$350.00. The Department would not have considered the COLA exclusion for the deductible calculation effective August 1, 2025 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). Accordingly, the Department properly determined that Petitioner's monthly deductible for his MA coverage would be \$2,532.00 based on the available information. (Hearing Summary; Exhibit A, p. 11; FIM Testimony).

Regarding the MSP, Petitioner's income of \$ [REDACTED] exceeds the income limit for the MSP under the category with the highest income limit, ALMB, which is \$1,781.00 for a group size of one. The RFT 242 policy notes that the income limit 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. Petitioner was also not eligible for the MSP under the NMB category because he did not have full coverage MA. As noted above, Petitioner had a monthly deductible for his MA coverage as of August 1, 2025. Hearing Summary; Exhibit A, p. 11; FIM Testimony).

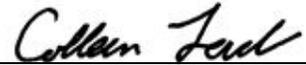
Petitioner requested that he be approved for \$185.00 per month for his Medicare premium and that full MA coverage be approved through December 31, 2027 to allow him time to deal with all of the notifications. Petitioner noted that none of this should have happened and it was not his fault. Petitioner explained that this all stemmed from an unlawful incarceration and there were disruptions with his social security benefit income, Medicare coverage, mail delivery, and unlawful garnishments. However, this Administrative Law Judge can only review the MA and MSP eligibility determinations under the existing policy and has no authority to change or make exception to policy. Petitioner's income exceeds the limit for full coverage MA. Therefore, the Department properly determined he would have a monthly deductible for his MA coverage as of August 1, 2025. Similarly, Petitioner's income exceeds the limit for the MSP category

with the highest income limit, and he is not eligible for full coverage MA. Therefore, Petitioner is not eligible to have his Medicare Part B premium paid under the MSP program.

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 re-determined Petitioner's eligibility for MA and the MSP as of August 1, 2025.

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.

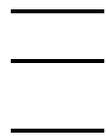
Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation 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

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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

MUSKEGON COUNTY DHHS
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Via First Class Mail:

Petitioner

[REDACTED]
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