

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicare Savings Program (MSP) benefits for August and September 2025?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. In August and September 2025, Petitioner received Retirement, Survivors, and Disability Insurance (RSDI) of REDACTED per month. (Exhibit 1, p. 16).
2. On August 7, 2025, Petitioner received gross income of REDACTED from the State of Michigan for Adult Home Help (Home Help). (Exhibit A, p. 16).
3. On September 25, 2025, Petitioner received gross income of REDACTED for Home Help for the period of August 1, 2025 to August 21, 2025. (Exhibit A, p. 16; Exhibit 1, p. 5).
4. On October 27, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that:
 - a. Approved Petitioner for:
 - i. Medicaid (MA) subject to a monthly deductible effective November 1, 2025, and
 - ii. MSP - Additional Low-Income Medicare Beneficiaries (ALMB) for September 2025; and
 - b. Denied Petitioner for MSP effective October 1, 2025, due to excess income.
(Exhibit A, pp. 7 – 8).
5. On November 17, 2025, the Department received a Food Assistance Program (FAP) redetermination application from Petitioner through MiBridges. Petitioner reported that she had income from Home Help and RSDI. (Exhibit A, pp. 14 – 15).
6. On November 25, 2025, the Department sent Petitioner a:
 - a. Verification Checklist (VCL) for MA that requested verification of her checking and savings accounts (Exhibit A, pp. 17 – 18),
 - b. Notice of Case Action (NOCA) that approved her for FAP benefits of \$14 per month for a two-person FAP group effective December 1, 2025, based on REDACTED in earned income and REDACTED in unearned income (Exhibit A, pp. 19 – 20), and

- c. HCCDN that denied Petitioner MSP effective October 1, 2025, due to excess income (Exhibit A, pp. 26 – 27).
7. On December 2, 2025, the Department received a request for hearing from Petitioner, disputing the Department's actions regarding her MSP eligibility and reimbursement for August and September 2025, and the amount of her FAP benefits for October 2025. (Exhibit A, p. 3; Exhibit 1, p. 7).

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.

In this case, Petitioner requested a hearing to dispute the Department's actions regarding her MSP eligibility, and the amount of her FAP benefits for October 2025. During the hearing, Petitioner clarified that her dispute regarding her MSP eligibility was limited to August and September 2025. The Department approved Petitioner for MSP for September 2025 but testified that Petitioner did not have MSP coverage for August 2025.

As a preliminary matter, at the continued hearing, Petitioner testified that her dispute regarding her FAP benefits was resolved and requested to withdraw that portion of her request for hearing. The Department had no objection. Therefore, Petitioner's request for hearing regarding her FAP benefits was dismissed and the hearing continued regarding her MSP benefits only.

MSPs are SSI-related MA categories that provide assistance with eligible individual's Medicare expense and are divided into four types: (i) Qualified Medicare Beneficiaries (QMB), (ii) Specified Low-Income Medicare Beneficiaries (SLMB), (iii) Q1 Additional Low-Income Medicare Beneficiaries (ALMB), and (iv) Non-Categorically Eligible Michigan Beneficiary (NMB). BEM 165 (July 2024), p. 1. Income is the major determiner of category, and the category with the highest net income limit is ALMB, which has a limit of 135% the federal poverty level (FPL) for the fiscal group. BEM 165, pp. 1, 8. Eligibility for NMB exists when a client has income and assets in excess of MSP – ALMB limit, but has full coverage MA with Medicare Part A and B entitlement during a benefit month. BEM 165, p. 1.

For 2025, the highest net income limit for MSP for a single individual without dependent children, such as Petitioner, was \$1,761. BEM 211 (October 2023), p. 8; RFT 242 (April 2025). For purposes of MSP, the gross amount of RSDI income is counted as unearned income and the gross amount of Home Help income is counted as earned income. BEM 501 (January 2024), p. 8; BEM 503 (July 2025), pp. 30 – 32. For purposes of MSP, the Department is required to budget earned income for the month in which it was received. BEM 530 (April 2020), p. 2. To calculate net income when a client has earned and unearned income, the Department applies the deductions set forth in BEM 541. BEM 541 (January 2025), pp. 1 – 3.

August 2025

The record established that in August 2025, Petitioner received RSDI income of REDACTED and earned income from Home Help of REDACTED. Although Petitioner asserted that the Department should have budgeted the earned income she was paid in September as her August income because August was when she performed the work, the Department is required to budget earned income for the month in which it was received. Because Petitioner received REDACTED from Home Help in August 2025, the Department properly budgeted her earned income for August 2025.

There was no evidence that Petitioner had any allowable work expenses, dependent children, or guardianship or conservator expenses. Thus, pursuant to BEM 541, she was entitled to a \$20 disregard from her RSDI income, a \$65 disregard from her Home Help income, and an additional deduction equal to one half of her remaining Home Help income. BEM 541, p. 3. A review of the record established that when the allowable deductions were applied to Petitioner's gross income, her net income in August 2025 was more than the \$1,761 income limit for MSP. Therefore, the Department properly determined she was ineligible for MSP for August 2025.

September 2025

The Department introduced a budget to demonstrate how it determined Petitioner was eligible for MSP for September 2025. (Exhibit A, p. 40). The record established that Petitioner received RSDI income of REDACTED and Home Help income of REDACTED in September 2025. Although Petitioner challenged the budgeting of her earned income for September on the basis that it reflected work performed in August, as explained previously, the income was received in September. Thus, the Department acted in accordance with policy when it budgeted REDACTED as earned income for September 2025.

For September 2025, Petitioner continued to be entitled to a \$20 disregard from her RSDI income, a \$65 disregard from her Home Help income, and an additional deduction equal to one half of her remaining Home Help income, and no other deductions. A review of the Department's budget established that it reduced Petitioner's gross income in accordance with policy, and properly determined Petitioner's net income was REDACTED. Therefore, because Petitioner's net income was less than the net income limit for MSP – ALMB, the Department properly approved her for MSP – ALMB effective September 1, 2025 to September 30, 2025.

Medicare Part B Premium Refund

Petitioner also asserted that the Department failed to facilitate a refund of her Medicare Part B premiums after it approved her for MSP.

Payments under MSP are administered by the Department's Medical Services Administration (MSA) under a Buy-In program. BAM 810 (June 2024), p. 1. Generally, the Buy-In program operates automatically based on computer tape exchanges between the SSA and the Department's central office. BAM 810, p. 8. Once a client has been approved for MSP, the Buy-In is processed at the end of the calendar month in which the client is approved for MSP, and it takes the SSA about 120 days after the client is approved to adjust the client's Social Security benefits check and issue any refund of premiums paid while the Buy-In was being processed. BAM 810, p. 8.

There was no dispute that the Department approved Petitioner for MSP for September 2025 on October 27, 2025. During the hearing, Petitioner generally alleged that a) she was not reimbursed from the SSA for the Medicare Part B premium withheld from her RSDI and later paid by the Department, and/or b) the Department failed to properly notify the SSA that it paid her Medicare Part B premium for September 2025. However, because the Department approved Petitioner for MSP for September 2025 on October 27, 2025, which was less than 120 days prior to the hearing; and because any adjustments to Petitioner's Social Security benefits, including any refunds owed to her, are processed solely by the SSA, there was no evidence that the Department did not act in accordance with BAM 810. Thus, the record does not support a finding that the Department acted improperly with respect to Petitioner's Medicare Part B premium refund. Therefore, the undersigned has no authority to order the Department to do anything further regarding any refund Petitioner may be eligible to receive from the SSA.

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 denied Petitioner for MSP benefits for August 2025, and approved her for MSP benefits for September 2025.

Accordingly, Petitioner's request for hearing regarding **FAP** is **DISMISSED**, and the Department's decision regarding **MSP** is **AFFIRMED**.