



Date Mailed: March 2, 2026
Docket No.: 26-003059
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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

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Docket No.: 26-003059

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 February 25, 2026. Petitioner did not appear and was represented by [REDACTED] [REDACTED] Authorized Hearing Representative (AHR). The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Princess Ogundipe, Assistance Payment Supervisor.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage and Medicare Savings Program (MSP) benefits?

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 September [REDACTED] 1992, Petitioner executed a revocable living trust agreement. Exhibit A, pp. 17-34.
2. Between February [REDACTED] 2002, and January [REDACTED] 2012, Petitioner executed amendments to her trust. Exhibit A, p. 35, 42.
3. On November [REDACTED] 2025, the Department received Petitioner's MA application. Exhibit A, pp. 88-93.
4. Petitioner is [REDACTED] years old. Exhibit A, p. 51.
5. Petitioner is not married. Exhibit A, p. 89.
6. Petitioner has Medicare. Exhibit A, p. 91.
7. Petitioner resides in a senior living facility, [REDACTED]. Exhibit A, p. 65.

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8. Petitioner receives Retirement, Survivors and Disability Insurance (RSDI) income of \$██████ per month, a pension of \$██████ per month and reported other income of \$██████ per month. Exhibit A, p. 91.
 9. On December 1, 2025, the Department received Petitioner's Health Care Coverage Supplemental Questionnaire (Questionnaire). Petitioner reported that her pension was \$██████ per month and that she received an individual retirement account (IRA) required minimum distribution of \$██████ per month. Exhibit A, pp. 84-87.
 10. On January █ 2026, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that informed Petitioner she was not eligible for MSP benefits effective November 1, 2025 ongoing because her income exceeded the limit for the program and that Petitioner was not eligible for MA coverage effective November 1, 2025 because she had failed to return verification of unearned income. Exhibit A, pp. 7-10.
 11. On January 20, 2026, the Department received Petitioner's request for hearing that disputed the January █ 2026 denial of MA coverage and MSP benefits. Exhibit A, pp. 4-6.

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).

At the commencement of the hearing, the Department explained that it had reprocessed Petitioner's MA application and issued a HCCDN on February █ 2026 that denied Petitioner's MA application. AHR was informed that because the February █ 2026 HCCDN was issued after the request for hearing was filed, if he disputes the Department's subsequent action in the February █ 2026 notice, he may request a hearing regarding that action.

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, AHR disputed the Department's January 2026 denial of Petitioner's application for MA coverage and MSP benefits. The Department explained that MA coverage was denied because Petitioner failed to return verifications requested in a verification checklist (VCL) and MSP benefits were denied because Petitioner's income exceeded program limits.

MA

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, which is limited to individuals aged 18 to 64, and (iv) to individuals who meet the eligibility criteria for Plan First Family Planning (PFFP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), 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.

Because Petitioner was over age 65 and not the parent or caretaker of a minor child, Petitioner was eligible for MA only under an SSI-related category. In determining the SSI-related MA category Petitioner is eligible for, the Department must determine Petitioner's MA fiscal group size and net income. As an unmarried individual, Petitioner has fiscal group size of one for SSI-related MA purposes. BEM 211 (October 2023), p. 8. The Department testified that Petitioner receives \$[REDACTED] per month in RSDI income and \$[REDACTED] per month in pension income. These amounts were not disputed. Both RSDI and pension income are considered countable income. BEM 503 (October 2025), pp. 30-21. The Department applies a \$20.00 disregard to unearned income to determine net income for SSI-related MA. BEM 530 (April 2020), p. 2; BEM 541 (January 2024), p. 3. While there are additional deductions in calculating net income for employment income and for guardianship and/or conservator expenses, such factors were not applicable in this case. See BEM 541, pp. 1-6. Therefore, Petitioner's net income for SSI-related MA purposes is \$[REDACTED]

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care, which is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163, p. 2. The income limit for AD-Care for a one-person MA fiscal group is \$1,325.00. RFT 242 (April 2025), p. 1. Because Petitioner's monthly household net income of \$[REDACTED] exceeds \$1,325.00, the Department properly determined Petitioner is not eligible for AD-Care.

Petitioners who are ineligible for full-coverage MA because of excess income may still receive MA benefits subject to a monthly deductible through a Group 2 MA category.

BEM 105, p. 1. Petitioner is not the caretaker of any minor children, and therefore, does not qualify for MA through the Group 2-Caretaker MA program.

Petitioner may still receive benefits subject to a monthly deductible through Group 2 SSI-related program (G2S), which provides for MA coverage with a monthly deductible. BEM 166 (April 2017) p.1. However, all SSI-related MA programs have asset tests. The Department is required to consider a client's assets when determining eligibility for certain MA categories. BEM 400 (October 2024), p. 1. Countable assets cannot exceed the applicable asset limit. *Id.* Assets include cash, personal property and real property. BEM 400, p. 2. All types of assets are considered for SSI-related MA categories. BEM 400, p. 3. Not all assets are considered countable. *Id.*, p. 2. An asset is countable if it meets the availability test and is not excluded. *Id.* The Department is required to assume that the asset is available unless evidence shows that it is not available. *Id.* An asset is available if someone in the group has the legal right to use or dispose of the asset. *Id.*, p. 10.

Here, Petitioner's Questionnaire reported assets. Specifically, Petitioner reported that she received an IRA required minimum distribution of \$██████ per month. IRAs are considered assets. BEM 400 (January 2026), p. 30. The Department testified that based on the disclosure of the IRA, the Department issued Petitioner a VCL for unearned income. The VCL was not presented at the hearing and no information was provided regarding its issuance or due dates. The Department explained that it incorrectly requested verification of unearned income rather than properly requesting verification of assets. Further, Petitioner provided the Department with documentation of a trust. The Department must have a trust evaluated by the Trust and Annuities Unit. BEM 400, p. 32; BEM 401 (January 2022), pp. 1-19. The Department explained that it failed to have the trust evaluated. On January █ 2026, the Department issued a HCCDN that denied Petitioner's MA application for failing to verify unearned income. Based on the Department's acknowledgement of its errors on the VCL and in determining Petitioner's assets, the Department did not act in accordance with Department policy when it determined Petitioner's eligibility for MA coverage.

MSP

AHR also disputed the Department's denial of Petitioner's application for MSP benefits.

MSP is an SSI-related MA category where the Department pays for certain Medicare expenses for eligible individuals. BEM 165 (July 2024) p. 1. Four different subcategories are available under MSP. Qualified Medicare Beneficiaries (QMB) coverage pays for a client's Medicare premiums, coinsurances, and deductibles. BEM 165, p. 2. Specified Low Income Beneficiaries (SLMB) coverage pays for a client's Medicare Part B premium. *Id.* Additional Low-Income Beneficiaries (ALMB) coverage pays for a client's Medicare Part B premium if MDHHS funding is available. *Id.* Non-Categorically Eligible Michigan Beneficiary (NMB) coverage pays for the Medicare Part B premiums (and the part A premiums for the few who have them) for full coverage MA beneficiaries not otherwise eligible for MSP. *Id.*

The client's income determines the MSP subcategory eligibility. BEM 165, p. 8 and RFT 242 (April 2025), p. 1. For MSP eligibility, the Department is to determine countable income according to the SSI-related MA policies in BEM 165, 500, 501, 502, 503, 504 and 530. BEM 165, p. 8. For purposes of MSP, Petitioner, who is not married, is a group of one. BEM 211 (October 2023), p. 5. Petitioner's net income for SSI-related MA purposes is, as described above, \$3,117.54.

Income eligibility exists for MSP when net income is within the limits in RFT 242. BEM 165, p. 8. The highest income limit for any MSP category for a group size of one is \$1,781.00. RFT 242 (April 2025) p. 1; BEM 165, p. 8. Petitioner's net unearned income is \$[REDACTED]. Because Petitioner's monthly household income of \$[REDACTED] exceeds \$1,781.00, the Department properly determined Petitioner has excess income for MSP benefits.

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 was not eligible for MSP benefits. However, the Department did not act in accordance with Department policy when it determined Petitioner's eligibility for MA coverage.

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

The Department's decision regarding **MA** 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. Reregister and reprocess Petitioner's November ■ 2025 MA application, requesting verification of assets if necessary;
2. Submit Petitioner's trust for evaluation by the Trust and Annuities Unit;
3. If eligible for MA coverage, provide Petitioner with the best available MA coverage, effective November 1, 2025 ongoing; and
4. Notify Petitioner in writing of its decision.



JULIA NORTON
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.

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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.

Via Electronic Mail:

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