

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 2011-31694

Issue No: 2014; 3015

[REDACTED]

Livingston County DHS

ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing received on June 17, 2010. After due notice, a telephone hearing was held on April 18, 2011. Claimant personally appeared and provided testimony.

ISSUE

Whether the department properly closed Claimant's Medical Assistance (MA) also known as Medicaid, Other Healthy Kids (OHK) program and Family Assistance Program (FAP) for excess income?

FINDINGS OF FACT

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

1. Claimant was receiving Medicaid Other Healthy Kids (MA-OHK) and FAP at all times pertinent to this hearing. (Hearing Summary).
2. On April 7, 2011, the department mailed Claimant a Notice of Case Action informing him his Medicaid-OHK program was closing effective May 1, 2011 due to excess income. (Department Exhibits 3-4).
3. Claimant submitted a hearing request on April 18, 2011, protesting the closure of his MA and FAP benefits. (Request for a Hearing).

## CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

As an initial matter, during the hearing it was discovered that Claimant's FAP program did not close until June 1, 2011 and the Notice of Case Action closing Claimant's FAP program was not mailed until May 12, 2011. Therefore, because Claimant submitted his hearing request on April 18, 2011, prior to the close of his FAP program and there had been no change in FAP benefits, that issue is not properly before this Administrative Law Judge and Claimant acknowledged that FAP was not at issue. Therefore, the remainder of this opinion will focus only on Medicaid-Other Healthy Kids (MA-OHK).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or Department) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). Michigan provides MA for eligible clients under two classifications: Group 1 and Group 2 MA. Claimant falls under the Group 1 SSI-related MA classification, which consists of clients whose eligibility results due to being aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. MCL 400.106; MSA 16.490(16), MCL 400.107; MSA 16.490(17) and BEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, or
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines).  
BEM 545.

Based on information the department received from Claimant during the Redetermination, the department closed Claimant's MA-OHK for excess income. Claimant admitted that he had started a new job in September 2010 and was not contesting the income the department used in determining his MA-OHK eligibility. A review of the documentation submitted by the department shows the department properly determined the father's prorated share of income at \$588.00 for a total net income of [REDACTED].

The department has prepared percentage of poverty level tables used in determining Medicaid eligibility. This issuance table provides that a household size of two has a net income limit of [REDACTED] RFT 246. Claimant's net income under FIP-Related Medicaid is [REDACTED]. As a result, Claimant had excess income and Claimant's children are no longer eligible for Healthy Kids Medicaid.

When the department determines that a person under age 19 is not eligible for Healthy Kids due to excess income, the department sends the following to MICHild:

- DHS-45,
- DHS-1171 or DCH-0373-D.
- Healthy Kids budget sheet.
- Any other Healthy Kids eligibility information.
- Any Healthy Kids verification.

The department then sends the client a DHS-14, MICHild/Freedom to Work Referral, or the LOA2 equivalent, to inform the family of the referral to MICHild. The department promptly refers the client MICHild to reduce the possibility of a lapse in coverage. MICHild eligibility begins the first day of the month following approval. When MICHild approval occurs after the MICHild enrollment cutoff date, eligibility begins the second month after approval. MICHild is not retroactive. See BEM 655. MICHild will use the department's budget and income information to process the MICHild application. The client is not be contacted for additional income information.

In accord with policy, once the department determined the children were no longer eligible for MA-OHK, the department properly mailed Claimant a MICHILD and Healthy Kids Application. BEM 531. Claimant acknowledged that he had received the MICHILD referral.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly denied Claimant's eligibility for the Medicaid Other Healthy Kids (MA-OHK) program due to excess income.

Accordingly, the department's decision is AFFIRMED.

It is SO ORDERED.

/s/ \_\_\_\_\_  
Vicki L. Armstrong  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 6/7/11

Date Mailed: 6/7/11

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

VLA/ds

