

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

IN THE MATTER OF:

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████████████████████
████████████████████

Reg. No.: 14-005938
Issue No.: 2001
Case No.: ██████████
Hearing Date: November 24, 2014
County: Macomb-District 36

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

HEARING DECISION

Following Claimant'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. After due notice, an in-person hearing was held on November 24, 2014, from Sterling Heights, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's May 16, 2014 application for Medical Assistance (MA) (commonly referred to as Medicaid)?

Did the Department fail to properly process Claimant's husband's May 16, 2014 application for 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. Claimant applied for health insurance on the federal health market.
2. On March 4, 2014, she received a letter advising her that she might be eligible for MA.
3. Claimant submitted an online application, and on March 12, 2014, the ██████████ ██████████ sent Claimant a letter advising her that she was eligible for MA.

4. The Department subsequently sent Claimant a healthcare questionnaire, which Claimant completed and returned.
5. On May 19, 2014, Claimant submitted to the Department a paper application for MA for herself and her husband.
6. On June 7, 2014, the Department sent Claimant a Health Care Coverage Determination Notice (HCCD Notice) denying her application for MA.
7. On June 18, 2014, Claimant requested a hearing disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of 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 Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The evidence at the hearing established that Claimant initially applied for health insurance in the federal marketplace and was advised that she and her husband might be eligible for MA. She was initially advised by DCH that she was eligible, but there was no response to inquiries regarding her husband's status. In contacting the Department, Claimant was advised that she was receiving MA coverage under the Plan First program and, in order to receive any other type of MA coverage, her Plan First program would have to be closed, and she would have to reapply. On May 19, 2014, she reapplied for herself and her husband.

In the June 7, 2014 HCCD Notice, the Department denied Claimant's MA application, in part, on the basis that she did not qualify because she was not the parent or caretaker of a minor child and her annual income of \$14,064 did not meet the income limits for eligibility. No response regarding her husband's eligibility was provided.

In her hearing request, Claimant contends that the Department failed to (1) process her husband's eligibility for MA; (2) consider her eligibility for MA as the caretaker of a minor child; and (3) properly determine her income eligibility for MA.

The Department acknowledges that Claimant's May 19, 2014 MA application included a request for MA benefits for her husband and that the husband's eligibility for MA was not processed. By failing to process the husband's application within 45 days of the date the application was submitted, the Department failed to act in accordance with Department policy. BAM 115 (July 2014), p. 15.

With respect to Claimant's MA eligibility, the Department acknowledges that Claimant is the parent of a minor child, her ■-year-old-daughter, who lives with her and her husband. Clients who are parents or caretakers of children are eligible for MAGI-related MA. BEM 105 (January 2014), p. 1. Therefore, to the extent the Department denied MA eligibility on the basis that Claimant was not a parent/caretaker relative; the Department did not act in accordance with Department policy.

The HCCD Notice sent to Claimant also indicated that Claimant exceeded the income limit for MA eligibility. Based on the documentation introduced into evidence, it appears that the Department processed Claimant's application based on a group size of one. However, household composition for purposes of MAGI-related MA eligibility for a tax filer who is not claimed as a tax dependent consists of the individual, the individual's spouse and tax dependents. Department of Community Health MAGI-Related Eligibility Manual (DCH MREM), §§ 5.1, 5.2(a). In this case, in her application, Claimant indicated that she filed taxes jointly with her husband and that she claimed four dependents: (1) her ■-year-old daughter, (2) her ■-year-old daughter, and (3) her two parents. Therefore, Claimant's household size for MA eligibility was six. Thus, the Department did not act in accordance with Department policy when it applied the incorrect group size to determine Claimant's MA eligibility.

In determining MA income eligibility, the Department must consider the group's household income. DCH MREM, § 7.2. It is clear that the Department did not consider Claimant's husband's income in calculating Claimant's MA eligibility. However, the evidence presented by the Department showed that Claimant's husband claimed \$700 in monthly income from self-employment but that the Department was attributing \$1400 in monthly income to the husband. Before recalculating Claimant's MA eligibility, the Department will have to correct the husband's income. The Department testified that in calculating Claimant's income, it considered her monthly \$1448 in unemployment benefit income. Based on this monthly income, it is unclear how the Department calculated Claimant's annual income of \$14,064. Furthermore, in her application, Claimant indicates that she expected limited unemployment benefits due to exhaustion of benefits, and the consolidated inquiry supports Claimant's position that she did not receive ongoing, consistent biweekly payments of \$724. Therefore, the Department did not properly calculate the household's income for purposes of determining Claimant's MA income eligibility.

During the hearing, the Department also introduced into evidence documentation showing that Claimant had excess assets for MA eligibility. A client may not exceed the \$3000 asset limit for eligibility for Group 2 MA eligibility. BEM 400 (February 2014), pp.

5-6. Therefore, Claimant is not eligible for MA coverage under any deductible program. However, assets are not considered in determining eligibility for MAGI-related groups. DCH MREM, § 6.1. Therefore, the Department must consider whether Claimant is income eligible for MAGI-related MA as a parent/caretaker. DCH MREM, § 1.2. If Claimant is ineligible for MA as a parent/caretaker, the Department must consider her income-eligibility for MA coverage under the Healthy Michigan Plan (HMP), which is available to individuals who do not otherwise qualify for MA. DCH Medicaid Provider Manual, HMP § 1.1.

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 did not act in accordance with Department policy when it (1) failed to process Claimant's husband's application for MA coverage and (2) denied Claimant's application for MA.

DECISION AND ORDER

Accordingly, the Department's decision 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. Register and process Claimant's husband's May 19, 2014 MA application;
2. Re-register and reprocess Claimant's May 19, 2014 MA application;
3. Provide Claimant and her husband with MA coverage they are each eligible to receive, if any, from May 1, 2014 ongoing; and
4. Notify Claimant in writing of its decision.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **12/4/2014**

Date Mailed: **12/4/2014**

ACE / tlf

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

CC:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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