

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-015613
Issue No.: MEDICAID - ELIGIBILITY
Case No.: [REDACTED]
Hearing Date: February 04, 2015
County: DHS SSPC CENTRAL

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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, a three way telephone hearing was held on February 4, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], Authorized Hearing Representative (AHR). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly determine Claimant's eligibility for the Healthy Michigan Program (HMP)?

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 August 6, 2014, Claimant applied for HMP.
2. Income verifications were requested and received.
3. The Department utilized the amount of income Claimant was consistently receiving before the August 2014 hospitalization to determine income eligibility.
4. On August 29, 2014, a Health Care Coverage Determination Notice was issued stating the Medical Assistance (MA) application was denied because Claimant's income was too high for the HMP program and he did not meet the criteria for any other type of MA.
5. On November 4, 2014, Claimant filed a request for hearing contesting the Department's action.

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.

MA-only eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, 1-1-2014, pp. 2.

Additionally, 42 CFR § 435.603(h) states:

(h) *Budget period*—(1) *Applicants and new enrollees*. Financial eligibility for Medicaid for applicants, and other individuals not receiving Medicaid benefits **at the point at which eligibility for Medicaid is being determined, must be based on current monthly household income and family size.** (bold added by ALJ)

Further, the Department is to use amounts already received/available in the processing month. In addition, estimate amounts likely to be received/available during the remainder of the month. BEM 530, 1-1-2014, p. 3.

In this case, Claimant applied for HMP on August 6, 2014. Claimant is seeking HMP for the month of August 2014.

The Hearing Facilitator testified that the Department utilized \$[REDACTED] per week for Claimant's income because this is what Claimant was consistently earning up to the August 2014 hospitalization. It appeared Claimant would return to making about the same amount of income soon after the hospitalization. The Hearing Facilitator also testified that the Department has to look at the income for the entire year because HMP is based on the yearly income. However, the Hearing Facilitator indicated the computer system does the income eligibility calculation once the income information is entered.

Claimant's AHR asserted that the income eligibility determination was not correctly calculated because the above cited BEM 105 policy directs that MA-only eligibility is to be

determined on a calendar month basis. The income verification shows Claimant's income for August 2014 was not \$ [REDACTED] each week. Claimant received \$ [REDACTED] on 8/5/14, \$ [REDACTED] on 8/13/14, \$ [REDACTED] on 8/20/14, and \$ [REDACTED] on 8/27/14. It was uncontested that the Department utilized \$ [REDACTED] per week for Claimant's income rather than the actual earnings for August 2014.

The BEM 105 policy provision is in accordance with 42 CFR § 435.603(h), which also requires use of the current monthly household income at the point at which eligibility for Medicaid is being determined. The Department did not use the current monthly income for August 2014 in determining Claimant's eligibility for HMP.

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 determined Claimant's eligibility for HMP.

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. Re-determine Claimant's eligibility for HMP for the August 6, 2014 application in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.
3. Supplement for lost benefits (if any) that Claimant was entitled to receive, if otherwise eligible and qualified in accordance with Department policy.



Colleen Lack
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **2/24/2015**

Date Mailed: **2/24/2015**

CL/hj

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:

