

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-019633
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: May 06, 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; and Mich Admin Code, R 792.11002. After due notice, a three way telephone hearing was held on May 6, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant; and [REDACTED], mother and Authorized Hearing Representative (AHR). Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's March 31, 2014, application for Medical Assistance (MA) based on income in excess of program limits?

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 March 31, 2014, Claimant applied for MA through the Federally Facilitated Marketplace (FFM) application transfer.
2. On November 26, 2014, a Benefit Notice was issued to Claimant stating he was not eligible for Health Care Coverage because income is over the income limit for the Healthy Michigan Plan (MA-HMP) for the group size and no one is age 65 or older, blind, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child.
3. On December 29, 2014, Claimant filed a hearing request contesting the Department's determination.

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.

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. BAM 105 (October 1, 2014) p. 1, and Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, (May 28, 2014), p. 1.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. Individuals are not expected to know the distinct categories. Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, (May 28, 2014), p. 1, and BEM 105, (October 1, 2014), p. 2.

The federal application for health coverage is acceptable for any Medicaid category. Additional information may be required for an SSI-related category. An original signature is not required. BAM 105, p. 2.

No DCH-1426 Application for Health Coverage & Help Paying Costs is required to apply or renew Medicaid for individuals who apply through the Federally Facilitated Marketplace (FFM). BAM 115, (July 1, 2014), p. 10.

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, p. 2.

The Department must consider all the MA category options in order for the client's right of choice to be meaningful. BEM 105, p. 2.

Regarding the Standard of Promptness (SOP) for MA applications, the Department is to certify program approval or denial of the application within 45 days. Bridges automatically generates the client notice. The exceptions are: 15 days for all pregnant Medicaid applicants; 30 days for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) applicants; 60 days for SDA applicants; and 90 days for MA categories in which disability is an eligibility factor. BAM 115, p. 15.

For Healthy Michigan Plan (MA-HMP), the income limit for adults age 19-64 is 133 percent of the Federal Poverty Limit. Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, (May 28, 2014), p. 2. In 2014, for a household size of one person age 19-64, the annual income limit was \$15,521.10.

In this case, Claimant applied for Medicaid through the FFM application transfer on March 31, 2014. The Department presented evidence relating to two determinations, a November 26, 2014, Benefit Notice, and a March 18, 2015, Benefit Notice. However, Claimant's hearing request was filed on December 29, 2014. Accordingly, there is only jurisdiction to review the November 26, 2014, Benefit Notice as part of this appeal because that is the only case action that had occurred when Claimant's hearing request was filed.

The November 26, 2014, Benefit Notice stated Claimant was not eligible for Health Care Coverage because income is over the income limit for the Healthy Michigan Plan for the group size and no one is age 65 or older, blind, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child. As there was no evidence that Claimant should have been considered for the MA categories for individuals age 65 or older, blind, disabled, under 21, pregnant, or parent/caretaker relative of a dependent child, this decision will focus on the denial of MA-HMP based on income in excess of program limits.

On the FFM transfer application, Claimant reported that he is not working. (Department Exhibit A, pg. 12) However, a start date of [REDACTED], was listed for an employer with an expected annual income of \$ [REDACTED] (Department Exhibit A, pg. 13) Claimant and his mother testified that the information regarding employment starting in [REDACTED] and the expected annual income were incorrect and that Claimant has not had any income since [REDACTED]. With no income, Claimant did not exceed the applicable MA-HMP annual income limit. However, even the inconsistent information contained on the FFM transfer application was considered, an expected annual income of \$ [REDACTED] does not exceed the 2014 annual income limit for a household size of one person age 19-64, of \$15,521.10. Therefore, the evidence does not establish that Claimant had income in excess of program limits for MA-HMP.

The Department also asserted that MA-HMP should not have been considered because Claimant's March 31, 2014, FFM transfer application was filed before the MA-HMP program started on April 1, 2014. However, it was uncontested that the Department greatly exceeded the applicable 45-day standard of promptness for processing this application. Claimant's MA-HMP application was pending from the time the MA-HMP

program started, April 1, 2014, through November 26, 2014, when the first Benefit Notice was issued. The Department witness testified that the Department's computer system did not "ingest" Claimant's FFM transfer application correctly. This was a systemic error that affected multiple cases. The Department witness read from a letter that the Department issued to many persons whose applications were similarly not processed correctly. In this letter, the Department requested that the person(s) complete a Michigan MA application. However, there was no evidence establishing that such a letter was sent to Claimant. Further, the above cited polices are clear that the federal application for health coverage is acceptable for any Medicaid category, and no DCH-1426 Application for Health Coverage & Help Paying Costs is required to apply for Medicaid for individuals who apply through the FFM.

It is noted that the above cited policies also include: 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; persons may qualify under more than one MA category; Federal law gives them the right to the most beneficial category, meaning the category that results in eligibility or the least amount of excess income; and individuals are not expected to know the distinct categories. Additionally, MA-only eligibility is determined on a calendar month basis and the policy addresses determining eligibility for future months assuming circumstances as of the processing date will continue unchanged unless the Department has information that indicates otherwise. Thus far, this ALJ has not found a policy provision specifying that the Department cannot consider MA eligibility for months between the application filing date and the date the written notice of the Department's determination is issued, i.e., the time the MA application is pending.

The evidence establishes that the November 26, 2014, determination that Claimant was not eligible for MA-HMP because of income exceeding the income limit for his group size was incorrect. Accordingly, that determination must be reversed and the Claimant's eligibility should be re-determined. In doing so, the Department may wish to consider whether MA-HMP can be considered as of April 2014 because Claimant had a pending MA application at the time the MA-HMP program began on April 1, 2014, the Department did not issue an eligibility determination notice to Claimant until November 26, 2014, Claimant's testimony that he was unaware that he could or should have filed another MA application while this application was still pending, and the Department policy being unclear about what months eligibility should be determined for when an application is not processed timely.

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 denied Claimant's March 31, 2014, application for MA based on income in excess of program limits.

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 the March 31, 2014, MA Application in accordance with Department policy. In doing so, the Department may wish to consider whether MA-HMP can be considered for April 2014 and ongoing given the circumstances that occurred in this case.
2. Issue written notice of the determination in accordance with Department policy.



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

Date Signed: **5/19/2015**

Date Mailed: **5/19/2015**

CL/jaf

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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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:

