

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
FOR THE DEPARTMENT OF COMMUNITY HEALTH**

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IN THE MATTER OF:

██████████,

Appellant

Docket No. 2014-32045 EDW

Case No. ██████████

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 42 CFR 431.200 et seq. upon the Appellant's request for a hearing.

After due notice, a hearing was held on ██████████. Appellant did not appear; Appellant was represented by ██████████. Ms. ██████████ appeared as a witness on behalf of Appellant.

The subcontracting Waiver Agency in this matter is ██████████ ██████████, Mi, the Department of Community Health (DCH) Waiver Agency (Waiver Agency or Agency). Witnesses on behalf of the Agency included: ██████████, Nursing Supervisor, ██████████, Waiver Director, ██████████, SW Coordinator, and ██████████, Health Care Specialist.

ISSUE

Did the Department's Waiver Agency properly propose to close Appellant's MI Choice waiver enrollment due to Appellant not being eligible for Medicaid?

FINDINGS OF FACT

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

1. Appellant is an ██████-year-old male, enrolled in the MI Choice Waiver Program. (Exhibits A, and testimony).
2. The Department contracts with the Waiver Agency to provide MI Choice Waiver services to eligible beneficiaries.
3. MA eligibility is determined by DHS; waiver eligibility is determined by DCH who subcontracts with the Agency.

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4. On or about ██████████ the Agency received notification by the Automated Medicaid Processing System that Appellant's MA was not active pursuant to information provided by the DHS.
5. On ██████████ the Agency issued an Adequate Action Notice of MI Choice Medicaid Waiver Disenrollment Related to Financial Ineligibility informing Appellant that based on the Michigan DHS data sharing system, Appellant is not currently financially eligible for Medicaid.
6. On ██████████ MAHS received the Appellant's request for an Administrative Hearing.
7. Appellant's MA closed due to Appellant being unable to provide certain verification. Appellant reapplied on ██████████. Appellant was still unable to provide verification and his reapplication was denied. Appellant appealed his denial with the Michigan DHS. On ██████████ Administrative Law Judge (ALJ) ██████████ issued a Hearing Decision upholding the DHS denial of Appellant's application for MA. (Reg. No. 2014-28214)
8. The Agency kept Appellant's case open awaiting the decision by ALJ Lack.

CONCLUSIONS OF LAW

The Medical Assistance Program is established pursuant to Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). It is administered in accordance with state statute, the Social Welfare Act, the Administrative Code, and the State Plan under Title XIX of the Social Security Act Medical Assistance Program.

This Appellant was receiving services through the Department's Home and Community Based Services for Elderly and Disabled (HCBS/ED). The waiver is called MI Choice in Michigan. The program is funded through the federal Centers for Medicare and Medicaid (CMS, formerly HCFA) to the Michigan Department of Community Health (Department). Regional agencies function as the Department's administrative agency.

Waivers are intended to provide the flexibility needed to enable States to try new or different approaches to the efficient and cost-effective delivery of health care services, or to adapt their programs to the special needs of particular areas or groups of recipients. Waivers allow exceptions to State plan requirements and permit a State to implement innovative programs or activities on a time-limited basis, and subject to specific safeguards for the protection of recipients and the program. Detailed rules for waivers are set forth in subpart B of part 431, subpart A of part 440 and subpart G of part 441 of this chapter. [42 CFR 430.25(b)].

The policy regarding enrollment in the MI Choice Waiver program is contained in the *Medicaid Provider Manual, MI Choice Waiver*, July 1, 2013, which provides in part:

SECTION 1 – GENERAL INFORMATION

MI Choice is a waiver program operated by the Michigan Department of Community Health (MDCH) to deliver home and community-based services to elderly persons and persons with physical disabilities who meet the Michigan nursing facility level of care criteria that supports required long-term care (as opposed to rehabilitative or limited term stay) provided in a nursing facility. The waiver is approved by the Centers for Medicare and Medicaid Service (CMS) under section 1915(c) of the Social Security Act. MDCH carries out its waiver obligations through a network of enrolled providers that operate as organized health care delivery systems (OHCDs). These entities are commonly referred to as waiver agencies. MDCH and its waiver agencies must abide by the terms and conditions set forth in the waiver.

MI Choice services are available to qualified participants throughout the state and all provisions of the program are available to each qualified participant unless otherwise noted in this policy and approved by CMS. (p. 1).

* * *

SECTION 2 - ELIGIBILITY

The MI Choice program is available to persons 18 years of age or older who meet each of three eligibility criteria:

- An applicant must establish his/her financial eligibility for Medicaid services as described in the Financial Eligibility subsection of this chapter.
- The applicant must meet functional eligibility requirements through the online version of the Michigan Medicaid Nursing Facility Level of Care Determination (LOCD).
- It must be established that the applicant needs at least one waiver service and that the service needs of the applicant cannot be fully met by existing State Plan or other services.

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All criteria must be met in order to establish eligibility for the MI Choice program. MI Choice participants must continue to meet these eligibility requirements on an ongoing basis to remain enrolled in the program. (p.1, emphasis added).

* * *

2.1. FINANCIAL ELIGIBILITY

Medicaid reimbursement for MI Choice services requires a determination of Medicaid financial eligibility for the applicant by the Michigan Department of Human Services (MDHS). As a provision of the waiver, MI Choice applicants benefit from an enhanced financial eligibility standard compared to basic Medicaid eligibility. Specifically, MI Choice is furnished to participants in the special home and community-based group under 42 CFR §435.217 with a special income level equal to 300% of the SSI Federal Benefit Rate. Medicaid eligibility rules stipulate that participants are not allowed to spend-down to achieve an enhanced financial eligibility standard. Medicaid Provider Manual

MI Choice Waiver: October 1, 2013

In this case, evidence is that Appellant's MA closed. Evidentially, Appellant did not appeal the closure, but reapplied. That new application was also denied. Under the financial eligibility criteria cited above, Appellant no longer met the eligibility to have his waiver program remain open as he did not have Medicaid. Thus, the Waiver Agency was required to close Appellant's case.

While the reason for the denial has to do with Appellant failing to obtain citizenship verification in a timely manner, this ALJ has no authority to hold his case open or to rule in his favor where the eligibility requirements are not met.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides that the MI Choice Waiver agency properly proposes to close Appellant's MI Choice Waiver program case.

IT IS THEREFORE ORDERED that:

The Department's decision is **AFFIRMED**.

Janice Spodarek
Administrative Law Judge
for James K. Haveman, Director
Michigan Department of Community Health

Date Signed: _____

Date Mailed: _____

JS/ _____

cc: _____

***** NOTICE *****

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