

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-6392
Issue No(s): 2001
Case No.: [REDACTED]
Hearing Date: February 19, 2014
County: Macomb County DHS #20

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 telephone hearing was held on February 19, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] Eligibility Specialist.

ISSUE

Did the Department properly determine Medicaid eligibility for Claimant's child?

FINDINGS OF FACT

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

1. In August 2013, an annual Redetermination for Medicaid was due based on the birthdate of Claimant's child that turned one year old (A.D.).
2. On August 29, 2013, a Notice of Case Action was issued to Claimant stating A.D.'s Medicaid coverage would change to having a monthly deductible of \$ [REDACTED] effective October 1, 2013.
3. On October 9, 2013, 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 the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, for Healthy Kids Medicaid recipients, financial eligibility is only considered at initial eligibility and annual redetermination. Income and income limit changes are not considered until the next redetermination. BEM 531. Income eligibility exists for Healthy Kids Medicaid when the net income of the person's fiscal group does not exceed the appropriate poverty level in RFT 246. BEM 536. For A.D., the Department utilized the Other Healthy Kids income limit of \$ [REDACTED] which is 150% of poverty level for a group size of 2. (RFT 246 and Eligibility Specialist Testimony)

In this case, an annual Redetermination for Medicaid was due in August 2013, based on the birthdate of the child that turned one year old (A.D.). Due to Claimant's current income from employment at the time of A.D.'s Redetermination, A.D. was no longer eligible for Healthy Kids Medicaid. The Medicaid budget showed a net income of \$ [REDACTED] which exceeded the applicable Other Healthy Kids income limit of \$ [REDACTED] (Exhibit 3)

Claimant noted that her fourteen year old child was still eligible. The BEM 531 policy directs that financial eligibility is only considered at initial eligibility and at annual redetermination. The annual redeterminations for each of Claimant's children are due at different times. Accordingly, financial eligibility for the 14 year old child was not re-considered when A.D.'s annual redetermination was completed.

When it was determined that A.D. was no longer financially eligible for Healthy Kids Medicaid, the Department considered eligibility for Group 2 Medicaid.

For Group 2 Medicaid, income eligibility exists for the calendar month tested when there is no excess income, or when allowable medical expenses are equal, or exceed the excess income. BEM 545. Additional Medicaid income budgeting eligibility and protected income levels can be found in BEM 530, 544, and 545 as well as, RFT 200 and 240. The Department counts the gross amount of wages (except as specified in policy regarding the earned income tax credit, flexible benefits, strikers' countable earnings, student earnings disregard, and census workers). BEM 501. The protected income level is a set allowance for non-medical need items such as shelter, food, and incidental expenses. BEM 544.

In this case, the Department utilized Claimant's paycheck stubs to budget income. (Exhibit 4) Based on Claimant's income at the time of A.D.'s Redetermination, A.D. was eligible for Group 2 Medicaid with a monthly deductible of \$ [REDACTED] (Exhibits 2 and 3)

Claimant testified her income had been lower when she was on maternity leave. Claimant stated that when overtime is available, she takes it. Claimant stated she works herself to the bone. Claimant explained she is just getting back on her feet and it is not fair to take A.D.'s insurance away. Claimant also feels it is not fair that the Department uses gross income.

However, neither the Eligibility Specialist nor this ALJ has the requisite authority to change or make exception to Department policy. A.D.'s Medicaid eligibility can only be reviewed under the Department's policies as they written, including counting the gross amount of wages. The Department has presented sufficient evidence that it re-determined Medicaid eligibility for A.D. in accordance with policy.

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 acted in accordance with Department policy when it determined Medicaid eligibility for Claimant's child.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



Colleen Lack
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: March 4, 2014

Date Mailed: March 4, 2014

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) 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. MAHS 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 (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted 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.

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The Department, AHR or the claimant 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 the hearing decision is mailed.

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 48909-07322

CL/hj

cc:

