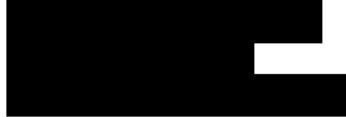


**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**



Reg. No.: 14-010901  
Issue No.: HMP  
Case No.: [REDACTED]  
Hearing Date: January 15, 2015  
County: DHS SSPC-WEST

**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 January 15, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Facilitator.

**ISSUE**

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

Did the Department properly determine Claimant's eligibility for disability Medicaid (MA-P)?

**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 June 24, 2014, Claimant applied for Medical Assistance (MA).
2. A Health Care Coverage Supplemental Questionnaire was timely returned, on which Claimant indicated a disability.
3. The Department determined that Claimant exceeded the income limit for HMP.
4. On July 31, 2014, Health Care Coverage Determination Notice was issued to Claimant stating Medicaid was denied because he was over the income limit. The notice also stated Claimant did not meet other MA eligibility categories, including disability.
5. The Department failed to timely determine Claimant's eligibility for MA-P.

6. On September 12, 2014, Claimant filed a hearing request contesting 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.

### HMP

For HMP, the income limit for adults age 19-64 is 133% of the federal poverty limit. Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, May 28, 2014, p. 2. The Health Care Coverage Determination Notice provides a chart of the annual income limits for HMP. For a group size of one individual age 19-64, the annual income limit is \$ [REDACTED]

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. 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)

The Department determined that Claimant was not eligible for HMP because his income exceeded the limit for this program. The Hearing Facilitator's Testimony and Exhibit A, pg. 16, indicate that the Department initially considered a combination of the earned income from earlier in 2014 and the employment income Claimant was currently receiving, resulting in a total expected annual income over \$ [REDACTED]

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. In this case, the only current monthly income was the unemployment benefit. The annual income total of \$ [REDACTED] listed on the Health Care Coverage Notice appears to be based on just the unemployment benefit.

Claimant disagrees with the annual income of \$ [REDACTED] listed on the Health Care Coverage Notice noting the weekly unemployment of \$ [REDACTED] would only last for 20 weeks.

It was uncontested that at the time of this MA application, Claimant was still receiving the unemployment benefit.

The income eligibility policy is not straightforward for HMP when the income is not going to be consistent over the course of the year. The Department must utilize an annual income limit, yet make a determination based on the current monthly household income at the point at which eligibility for Medicaid is being determined. As indicated on the Health Care Coverage Notice, the Department properly only considered the current income source, the unemployment benefit. While this benefit would not continue for the year, it appears the Department utilized this current income to project an annual income because the HMP income limit is an annual limit. Thus, a projected annual income based on the current monthly income was used to determine HMP eligibility. Based on the current monthly household income at the time of the eligibility determination, the unemployment benefit, Claimant exceeded the income limit for HMP.

### Disability

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. BEM 105, p. 2.

In this case it was uncontested that the Department failed to timely consider disability related Medicaid (MA-P) when the July 31, 2014, Health Care Coverage Determination Notice was issued.

The Department indicated they have since started the disability determination process, but no decision had been made as of the date of this hearing.

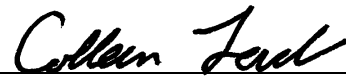
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined Claimant's eligibility for HMP but failed to satisfy its burden of showing that it acted in accordance with Department policy when it did not timely determine Claimant's eligibility for MA-P.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the HMP denial and **REVERSED IN PART** with respect to the failure to timely process the application for MA-P.

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. Determine Claimant's eligibility for MA-P for the June 24, 2014, MA application, in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.



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

Date Signed: **03/02/2015**

Date Mailed: **03/02/2015**

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:

