

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-014838  
Issue No.: 2010  
Case No.: ██████████  
Hearing Date: February 12, 2015  
County: Macomb-District 20

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**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, an in-person hearing was held on February 12, 2015, from Warren, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearing Facilitator for the Warren office, and ██████████, Hearing Facilitator for SSPC-Central (handling SSPC-West hearings), who participated by telephone.

**ISSUE**

Did the Department properly deny Claimant's September 11, 2014 application for Medical Assistance (MA)?

**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 September 11, 2014, Claimant applied for MA.
2. Because the information Claimant provided concerning her income was not consistent with federal trusted data sources, the Department asked Claimant to verify her employment income.
3. On September 23, 2014, Claimant provided several paystubs to the Department.

4. On September 26, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying her that she was ineligible for MA.
5. On October 7, 2014, Claimant filed a request for hearing disputing the Department's decision.

### **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.

Claimant disputed the Department's denial of her September 11, 2014 MA application. The September 26, 2014 Health Care Coverage Determination Notice notified Claimant that the application was denied because she "was not blind, disabled, pregnant, parent/caretaker relative of a dependent child or meet age requirements." Claimant acknowledged at the hearing that she was not disabled, did not have a minor child, and was not age 65 or over or under age 19. Therefore, Claimant was ineligible for SSI-related MA or for family-based MA. BEM 105 (January 2014), p. 1.

Individuals who do not qualify for other MA programs may be eligible for the Healthy Michigan Plan (HMP). HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. Michigan Department of Community Health, Medicaid Provider Manual, Healthy Michigan Plan, § 1.1, *available at* <http://www.mdch.state.mi.us/dch-medicaid/manuals/MedicaidProviderManual.pdf>.

The Department testified that it considered Claimant's eligibility for HMP but concluded that she was not income eligible. A determination of a client's income eligibility for HMP under the MAGI methodology requires determination of the client's household size and the applicable income limit for that group size. In this case, Claimant testified that she is a tax filer and has no dependents. Therefore, for MAGI purposes, she has a household

size of one. Michigan Department of Community Health, Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, § 5.2. 133% of the annual federal poverty level for a household with one member is \$15,521. <http://aspe.hhs.gov/POVERTY/14poverty.cfm>. Therefore, Claimant is income-eligible for HMP if her annual income does not exceed \$15,521.

Department policy provides that in determining an applicant's eligibility for MA, eligibility is determined on a calendar month basis. BEM 105 (January 2014), p. 2. 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, p. 2. Department policy is consistent with federal regulations concerning an applicant's eligibility for MAGI-based MA: 42 CFR 435.603(h)(1) provides that "financial eligibility for Medicaid for applicants . . . must be based on current monthly household income and family size." When determining eligibility for a future month, the Department should assume circumstances as of the processing date will continue unchanged unless it has information that indicates otherwise. BEM 105, p. 2.

The September 26, 2014 Health Care Coverage Determination Notice indicates that it used annual income of \$17,500 in determining Claimant's health care coverage. At the hearing, the Department explained that in calculating Claimant's annual income, it relied on the most recent paystubs Claimant submitted on September 23, 2014 that showed that she had already had year-to-date earnings of \$15,484.47. However, because Claimant applied for MA in September 2014, the Department must consider her circumstances during September 2014 in assessing her MA eligibility.

In this case, Claimant testified that she had to miss three weeks of work due to her September 2014 hospitalization. Therefore, the paystubs submitted in September 2014 showing her year-to-date pay was an inaccurate reflection of her income for September 2014 and, consequently, her income eligibility for MA as of the application date. Because the Department did not calculate Claimant's income based on her circumstances in September 2014, the Department did not act in accordance with Department policy when it denied Claimant's MA application due to excess income.

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 MA application for excess income based on year-to-date income information.

### **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. Reregister and reprocess Claimant's September 11, 2014 MA application;
2. Provide Claimant with MA coverage she is eligible to receive from September 1, 2014 ongoing; and
3. Notify Claimant in writing of its decision.



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**Alice C. Elkin**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **3/5/2015**

Date Mailed: **3/5/2015**

ACE / tlf

**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.

