

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-003724
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: May 06, 2015
County: SAGINAW

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 telephone hearing was held on May 6, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly close Claimant's child's Medical Assistance (MA) benefits case¹?

FINDINGS OF FACT

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

1. Claimant's child, [REDACTED], was receiving Medicaid (MA-OHK/U19) benefits.
2. The Department determined that the household income exceeded the allowable income limit for the group size of 5 for Modified Adjusted Gross Income (MAGI) related eligibility.
3. The Department also determined that there were assets in excess of program limits for non-MAGI related MA eligibility.

1. During the hearing proceedings, Claimant confirmed that he is only contesting the Medicaid closure for his youngest child.

4. On February 3, 2015, a Health Care Coverage Determination Notice was issued to Claimant, in part, stating his [REDACTED] MA coverage would end effective March 1, 2015.
5. On February 11, 2015, 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 Medicaid program is comprised of several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, Plan First!, and Adult Medical Program is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105, (October 1, 2014), p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. BEM 105, p. 2.

For the children (U19) MAGI related group for children age 1-19, the income limit is 160 percent of the federal poverty limit (FPL). Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, (May 28, 2014), p. 2.

There is also current MA policy for group 2 MA categories for persons under age 21 with non-MAGI financial eligibility factors, including countable assets that cannot exceed

the asset limit in BEM 400. BEM 132, (January 1, 2015), p. 2. The Group 2 Under 21 asset limit is \$3,000. BEM 400, (January 1, 2015), p. 6.

In this case, Claimant contested the closure of MA benefits for his youngest child, ■■■

The reasoning shown on the February 3, 2015, a Health Care Coverage Determination Notice does not correctly explain the Department's determination. However, the Hearing Facilitator's testimony explained that the household income exceeded the MAGI related MA limit for the group size, and there were assets in excess of program limits for non-MAGI related MA.

The Hearing Facilitator stated that the MAGI allowable annual income limit for the group size of 5 is \$■■■■■. The Department determined the total household annual income was \$■■■■■ based on Claimant's income of \$■■■■■ per month, and his wife's income of \$■■■■■ per month. However, it appears that the Department considered the MAGI annual income limit for a group with members between ages 19 and 64. The Bridges print out for relationship details indicates the ■■■ is age ■. Accordingly, the MAGI allowable annual income limit for the group size of 5 for a member between age 1 and 18, should be utilized, which is \$■■■■■.

Claimant testified that his monthly income of \$■■■■■ was only for two months in 2014 and he has no income in 2015. Claimant acknowledged that his wife is expected to have monthly income of \$■■■■■ to \$■■■■■ or annual income of \$■■■■■ to \$■■■■■ in 2015. Accordingly, even if the only income that is considered is the expected income for Claimant's wife, ■■■ is not eligible for MAGI related MA because the household income of \$■■■■■ to \$■■■■■ exceeds the applicable annual income limit for the group size, \$■■■■■.

Regarding non-MAGI MA eligibility, the applicable asset limit for group 2 under age 21 MA is \$3,000. There was no evidence contesting the Department's determination of bank account assets of \$■■■■■. Accordingly, D.P. is not eligible for non-MAGI related MA due to assets in excess of program limits.

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 closed Claimant's child's MA benefits case.

DECISION AND ORDER

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



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

Date Signed: **5/11/2015**

Date Mailed: **5/11/2015**

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:

