

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-004127
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: May 11, 2015
County: Wayne (19)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 May 11, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Health and Human Services (DHHS) included [REDACTED], hearing facilitator.

ISSUE

The issue is whether DHHS properly terminated Claimant's Healthy Michigan Plan (HMP) eligibility due to excess income.

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 was an ongoing HMP benefit recipient.
2. Claimant had income from employment wages and work-study.
3. Claimant's total employment income was at least \$20,004 per year.
4. On [REDACTED], DHHS mailed Claimant a Health Care Coverage Determination Notice informing Claimant of a termination of HMP eligibility, effective April 2015, due to excess income.
5. On [REDACTED], Claimant requested a hearing to dispute the termination of HMP eligibility.

CONCLUSIONS OF LAW

The Healthy Michigan Plan is a new health care program that will be administered by the Michigan Department of Community Health, Medical Services Administration. The program will be implemented as authorized under the Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGI).

Claimant requested a hearing to dispute a termination of HMP benefits, effective April 2015. It was not disputed that DHHS terminated Claimant's HMP eligibility due to excess income.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. MAGI (██████████, ██████████ p. 14. It is based on federal tax rules for determining adjusted gross income. *Id.* It eliminates asset tests and special deductions or disregards. *Id.* Every individual is evaluated for eligibility based on MAGI rules. *Id.* The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. *Id.*

It was not disputed that Claimant had two jobs, one of which was work-study. DHHS initially conceded that Claimant's work-study income should have been excluded. The DHHS concession is consistent with DHHS policy (see Bridges Eligibility Manual 501). DHHS policy is not applicable to HMP. HMP eligibility policies are found in MAGI.

The following are common sources of income which are countable in a MAGI related determination: wages/salary, self-employment, RSDI, pensions, unemployment benefits, and spousal support. *Id.* The following are common sources of income which are not countable in a MAGI related determination: child support, workers compensation, American Indian/Native American payment, veteran's benefits, SSI, adoption subsidy, and disaster relief payments. *Id.*, pp. 14-15.

HMP policies do not exempt work-study income from HMP income determinations. Accordingly, it is found that DHHS properly factored Claimant's work-study income.

It was not disputed that Claimant was a non-pregnant person between the ages of 19 and 64. It was not disputed that Claimant was the only member of her HMP group. HMP income limits are based on 133% of federal poverty levels. *Id.*, p. 2.

DHHS provided credible testimony that Claimant's income eligibility was based, in part, from the following gross pays from her work-study employment: \$226.20 on [REDACTED] and \$244.50 on [REDACTED]. Adding Claimant's verified biweekly gross income results in \$470.70. Claimant's two biweekly payments should be multiplied by 13 to convert it to an annual income; this results in \$6119.10 in work-study income.

Claimant's income also included the following wages from a second job: \$536.16 on [REDACTED] and \$583.49 on [REDACTED]. Adding Claimant's biweekly and multiplying the total by 13 results in total income of \$14555.45 for her second job.

Adding together Claimant's projected annual income from her jobs results in a total income of \$20674.66. DHHS actually calculated a lower and more favorable amount (\$20,004.00) for Claimant. Whichever figure is used, DHHS appears to have correctly determined that Claimant had excess income for HMP.

Claimant testified that her income submission reflects a higher income than she actually received. Claimant also testified that she submitted updated income verifications to DHHS on March 20, 2015. Claimant contended that DHHS should have reconsidered her HMP eligibility based on her updated income submission.

HMP policy does not require DHHS to reconsider eligibility determinations based on information that was not previously submitted. If Claimant's income changed since the DHHS determination of HMP eligibility, Claimant's proper recourse is to reapply for HMP and to submit the updated information with her new application. Presented evidence justifies finding that DHHS properly determined Claimant's income, for purposes of HMP eligibility.

Claimant's has to receive under \$15,521.10 in annual wages to be eligible for HMP. When factoring a 5% disregard based on the poverty level (see *Id.*, p. 15), Claimant's annual income limit increases to \$16,297.15.

Claimant's income exceeds HMP limits. Accordingly, DHHS properly terminated Claimant's HMP eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHHS properly terminated Claimant's HMP eligibility, effective April 2015.

The actions taken by DHHS are **AFFIRMED**.



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **5/13/2015**

Date Mailed: **5/13/2015**

CG / hw

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:

