

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

IN THE MATTER OF:

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Reg. No.: 15-003719
Issue No.: 2001
Case No.: ██████████
Hearing Date: April 27, 2015
County: Oakland-District 3 (Southfield)

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on April 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Eligibility Specialist/Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's January 12, 2015, 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 January 12, 2015, Claimant applied for MA.
2. At the time Claimant applied, she received biweekly unemployment benefit (UB) income of \$724.
3. Claimant's UB income ended April 18, 2015.
4. On February 23, 2015, the Department sent Claimant a Health Care Coverage Determination Notice denying her MA application because (i) she was not blind, disabled, over age 65, under age 21, or the caretaker of a minor child and (ii) her income exceeded the income level for eligibility.
5. On March 3, 2015, Claimant filed a request for hearing disputing the Department's actions.

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.

Claimant disputed the Department's denial of her January 12, 2015, MA application. The February 23, 2015, 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, *available at* http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf.

An individual is eligible for HMP if her household's income does not exceed 133% of the FPL applicable to the group size. 133% of the annual federal poverty level for a

household with one member is \$15,521. <http://aspe.hhs.gov/POVERTY/14poverty.cfm>. If an individual is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MAGI Related Eligibility Manual, § 7.2. Therefore, Claimant is income-eligible for HMP if her annual income does not exceed \$15,521, or, with the 5% disregard, if her income does not exceed \$16,297.

The February 23, 2015, Health Care Coverage Determination Notice indicates that the Department used annual income of \$18,750 in determining Claimant's health care coverage. At the hearing, the Department explained that in calculating Claimant's annual income, it relied on Claimant's biweekly unemployment benefit compensation income of \$724, for gross monthly income of \$1448. When \$1448 is multiplied by 12 months, the result is an annual income of \$17,376. While the annual income figure based on 12 months receipt of UB income is less than the \$18,750 calculated by the Department, it is nevertheless greater than the \$16,297 income limit for HMP eligibility. Therefore, the Department acted in accordance with Department policy when it denied Claimant's MA application.

At the hearing, Claimant pointed out that her UCB benefits were expected to end and did in fact end on April 18, 2015. Consequently, her annual income from UCB benefits for 2015 was just over \$7000. The Department responded that Claimant's eligibility was assessed based on her income at the time of application and for the 30 days following. Because Claimant received UB income at the time of application, the Department argues that Claimant's MA eligibility at the time of her January 12, 2015, MA application would take into consideration her UB income.

Department policy provides that 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.

Because Claimant was receiving UB income at the time of application and that income was expected to continue for the calendar month and while the application was processed, the Department acted in accordance with Department policy when it calculated Claimant's MA eligibility for her January 12, 2015, application based on her biweekly UCB income. Because Claimant was income-ineligible for HMP based on her UCB income during the month of application, the Department acted in accordance with Department policy when it denied Claimant's January 12, 2015, MA application for excess income. Because Claimant's income changed effective April 18, 2015, she was advised to reapply for MA.

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 denied Claimant's January 12, 2015, MA application.

DECISION AND ORDER

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



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

Date Signed: **5/7/2015**

Date Mailed: **5/7/2015**

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 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: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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