

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-008157  
Issue No.: HMP  
Case No.: [REDACTED]  
Hearing Date: July 6, 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 July 6, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Michigan Department of Health and Human Services (MDHHS) included [REDACTED], hearing facilitator.

**ISSUE**

The issue is whether MDHHS properly terminated Claimant's Healthy Michigan Plan (HMP) coverage.

**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 was not eligible for any Medical Assistance (MA) category other than HMP benefits.
3. Claimant's annual income was \$17,233.32.
4. On [REDACTED], MDHHS terminated Claimant's HMP eligibility, effective June 2015, due to excess income.
5. On [REDACTED], Claimant requested a hearing to dispute the termination of HMP benefits.

## **CONCLUSIONS OF LAW**

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services Reference Tables Manual (RFT).

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 the termination of HMP benefits. MDHHS presented a Health Care Coverage Determination Notice (Exhibits 1-4) verifying that the reason for the HMP termination was excess income. Before an analysis determining whether MDHHS properly factored Claimant's income, Claimant raised various non-income-related arguments to dispute the HMP termination.

Claimant's hearing request implied she should get HMP because her body is shutting down. Claimant's statement is suggestive of a physical disability that could qualify her for non-HMP programs. During the hearing, Claimant conceded that she is employed. Claimant's income (to be discussed below) was found to be at least \$1,090/month. Generally, SSA and MDHHS automatically find that a person is not disabled when his or her employment income exceeds \$1,090/month. Claimant's circumstances were not suggestive that the general rule does not apply. Thus, Claimant is not physically disabled, and therefore, not eligible for disability-based MA programs.

Claimant did not allege any circumstances (e.g. caretaker of a minor child, under 21 years of age, pregnancy, over 65 years of age) which would make her eligible for any MA category other than HMP benefits. It is found that Claimant is only potentially eligible for MA benefits through the HMP category.

Claimant's hearing request stated that she should continue to receive HMP because she lived in Michigan for her entire life while immigrants receive HMP with "no questions

asked.” Claimant testimony conceded that her hearing statement was emotionally written and not a valid argument to the HMP termination.

It was not disputed that MDDHS found Claimant to be eligible for HMP beginning January 2015 (give or take a month). Normally, HMP benefit periods are one year long. In the present case, MDHHS reevaluated Claimant’s HMP eligibility only approximately five months into Claimant’s benefit period. Consideration was given to determining whether MDHHS should have reevaluated Claimant’s HMP eligibility in the middle of a benefit period.

A thorough evaluation of eligibility is required at least every 12 months. MAGI (May 28, 2014), p. 23). Use of the phrase “at least every 12 months” suggests that a reevaluation of eligibility may occur more than once per year.

It is found that MDHHS did not err by terminating Claimant’s eligibility before the end of Claimant’s HMP benefit period. The only remaining issue is whether MDHHS properly factored Claimant’s income in terminating her HMP eligibility.

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. 42 CFR 435.603 (h)(1). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603 (h)(2).

MDHHS could not explain how Claimant’s income was calculated. MDHHS did present Claimant’s pay stubs (Exhibit 5-9) from a five week period. The pay stubs verified the following gross pay amounts and pay dates: \$330.70 on [REDACTED], \$334.60 on [REDACTED], \$406.75 on [REDACTED], \$243 on [REDACTED], \$342 on [REDACTED]. Presumably, MDHHS determined Claimant’s income based on the presented check stubs. Claimant did not present any evidence of her income.

Though the income is not “current”, Claimant’s pay stubs from January 2015 and February 2015 were the best presented evidence of Claimant’s current income. Based on presented stubs, Claimant’s weekly gross income is \$331.41. Multiplying Claimant’s weekly average income by 52 weeks results in an annual income of \$17,233.32. MDDHS calculated Claimant’s income to be \$17,280 (see Exhibit 2), a slightly higher amount.

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. The federal poverty level is \$11,770 for a one-person group. To be income-eligible for HMP benefits, Claimant’s income would have to fall at or below \$15,654.10. Claimant’s annual income (\$17,233.32) exceeds the HMP income limits. Accordingly, it

is found that MDHHS properly terminated Claimant's HMP eligibility due to excess income.

Claimant should be aware that a termination of HMP eligibility is not a permanent circumstance. Claimant can always reapply for HMP benefits. If Claimant's income is verified to be just slightly reduced, the reduction may be enough to requalify Claimant for HMP.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Claimant's HMP benefits, effective 6/2015, due to excess income. The actions taken by MDHHS are **AFFIRMED**.



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

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

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

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**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:

