

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-015786
Issue No.: 2001
Agency Case No.: [REDACTED]
Hearing Date: October 21, 2015
County: SAGINAW

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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, telephone hearing was held on October 21, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. [REDACTED] represented the Department of Health and Human Services (Department).

ISSUE

Did the Department of Health and Human Services (Department) properly close the Claimant's Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

1. The Claimant was an ongoing Medical Assistance (MA) recipient.
2. The Claimant receives monthly earned income in the gross monthly amount of \$[REDACTED].
3. The Claimant's husband receives monthly self-employment in the gross monthly amount of \$[REDACTED].
4. The Claimant's adult son receives monthly earned income in the gross monthly amount of \$[REDACTED].
5. On April 14, 2015, the Department sent the Claimant a Redetermination (DHS-1010) with a due date of May 1, 2015.
6. On May 18, 2015, the Department notified the Claimant that it would close her Medical Assistance (MA) benefits as of June 1, 2015, for failure to

provide the Department with information necessary to determine her eligibility to receive benefits.

7. On August 6, 2015, the Department notified the Claimant that it would close Medical Assistance (MA) benefits for her and her husband based on their income.
8. On August 17, 2015, the Department received the Claimant's request for a hearing protesting the closure of her Medical Assistance (MA) benefits.

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.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (July 1, 2015), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (July 1, 2015), pp 1-9.

Claimant was an ongoing MA recipient when the Department initiated a routine review of her eligibility for continuing benefits by sending her a Redetermination (DHS-1010) form and requested that it be returned by May 1, 2015. When the Department did not receive this form by May 1, 2015, it proceeded to close her MA benefits.

The Claimant argued that she submitted the Redetermination form to the Department on May 1, 2015, but the Department has no record of receiving it on this date. Department records indicate that the Redetermination form was submitted on May 22, 2015, which was before the MA closure date. The Department then attempted to reinstate the Claimant's MA benefits as directed by BEM 205.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. 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. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5% disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.¹

Based on the information reported on her Redetermination form, the Department determined that the Claimant receives monthly earned income in the gross monthly amount of \$████, the Claimant's husband receives monthly self-employment income in the gross monthly amount of \$████, and the Claimant's adult son receives monthly earned income in the gross monthly amount of \$████. These income figures were not disputed during the hearing. As a group of four, the Claimant's combined household income exceeds 133% of the federal poverty level, which is \$████. The Department considered the effects of splitting the Claimant and her husband into a separate benefits group of two, but their combined income of \$████ exceeds 133% if the federal poverty level for a group of two, which is \$████.

On August 6, 2015, the Department notified the Claimant that it would close her Medical Assistance (MA) benefits.

The Claimant testified that due to the delay from the date she submitted her Redetermination (DHS-1010) on May 1, 2015, to the date the Department notified her

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

that it would close her MA benefits on August 6, 2015, that the Claimant missed out on an opportunity enroll in another health care plan.

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The Department will provide an administrative hearing to review the decision and determine the appropriateness. The Michigan Administrative Hearing System (MAHS) may grant a hearing for any of the following:

- Denial of an application and/or supplemental payments.
- Reduction in the amount of program benefits or service.
- Suspension or termination of program benefits or service.
- Restrictions under which benefits or services are provided.
- Delay of any action beyond standards of promptness.
- For FAP only, the current level of benefits or denial of expedited service. Department of Human Services Bridges Administrative Manual (BAM) 600 (April 1, 2015), pp 3-4.


While the Department's determination that the Claimant is not eligible for MA benefits based on her income may have been delayed beyond the standard of promptness, the Department eventually gave her notice of the MA closure. The Claimant has a right to a hearing to protest the closure of her MA benefits but her circumstances do not support a finding that she is eligible to receive MA benefits under any category. The Claimant has the burden to establish that she is eligible for benefits and she is unable to meet that burden here.

Furthermore, this Administrative Law Judge does not have the authority to issue orders concerning eligibility determinations for health care plans not administered by the Department of Health and Human Services.

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 the Claimant's Medical Assistance (MA) benefits on August 6, 2015.

DECISION AND ORDER

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



Kevin Scully
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **10/27/2015**

Date Mailed: **10/27/2015**

KS/■

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.

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:

