

**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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MAHS Reg. No.: 15-015997
Issue No.: 2001
Agency Case No.: ██████████
Hearing Date: November 05, 2015
County: Wayne-District 31

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

HEARING DECISION

Following Petitioner'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 November 5, 2015, from Detroit, Michigan. Petitioner represented herself. The Department of Health and Human Services (Department) was represented by ██████████, Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) case?

FINDINGS OF FACT

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

1. Petitioner was an ongoing recipient of MA benefits under the Healthy Michigan Plan (HMP).
2. Petitioner is unmarried and lives with her ██████-year-old son.
3. Petitioner is employed.
4. On July 6, 2015, Petitioner submitted a redetermination concerning her ongoing MA eligibility (Exhibit 6).
5. On July 27, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that her MA case would close effective September 1, 2015 because she was not under 21 or over 65, pregnant, the

caretaker of a minor child in the home, blind, or disabled and because she was not income eligible (Exhibit B).

6. On August 31, 2015, Petitioner filed a request for hearing disputing the Department's actions concerning her MA case.

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), Department of Health and Human Services Medicaid Provider Manual (MPM), Department of Health and Human Services Modified Adjusted Gross Income Related Eligibility Manual (MREM), 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.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for HMP coverage. BEM 105 (October 2014), p. 1; MPM, Healthy Michigan Plan, § 1.1.

At the hearing, the Department explained that Petitioner had been receiving MA under the HMP plan. 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 (FPL) 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. MPM, Healthy Michigan Plan, § 1.1.

The Department explained that when it processed Petitioner's redetermination using updated employment income, Petitioner was no longer income-eligible for HMP. An individual is eligible for HMP if her household's income does not exceed 133% of the FPL applicable to the individual's group size. A determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents. In this case, the evidence showed that Petitioner lived with her [REDACTED] year-old son and that he

was her tax dependent (Exhibit A, p. 2). Therefore, for MAGI purposes, she has a household size of two. MREM, § 5.2. 133% of the annual FPL in 2015 for a household with two members is \$21,186.90. <http://aspe.hhs.gov/POVERTY/15poverty.cfm>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$21,186.90.

In connection with Petitioner's redetermination, the Department verified her monthly income. In determining an individual's eligibility for MAGI-related MA (which includes HMP), 42 CFR 435.603(h)(2) provides that "for individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods . . . , a State may elect in its State plan to base financial eligibility either on current monthly household income . . . or income based on projected annual household income . . . for the remainder of the current calendar year." Petitioner submitted paystubs showing gross income of \$889.81 paid on June 5, 2015 and gross income of \$965.94 paid on June 19, 2015 (Exhibit C). Based on verified income, Petitioner's monthly income was \$1855.85. When Petitioner's monthly \$1855.75 income is multiplied by 12, the result is annual income of \$22,269. Petitioner's annual income of \$22,269 is greater than the \$21,186.90 income limit for HMP eligibility. However, if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2. 5% of the FPL for a two-person group is \$796.50. Petitioner's household's annual income of \$22,269 less \$796.50 is \$21,472.50. Because \$21,472.50 remains over the HMP income limit of \$21,186.90, Petitioner is not income-eligible for HMP even when the 5% disregard is applied. Therefore, the Department properly closed Petitioner's MA case under the HMP program.

However, before closing Petitioner's MA case due to ineligibility for HMP, the Department was required to conduct an ex parte review to determine if she was eligible for MA under other MA categories unless she was ineligible for any MA coverage. BAM 220 (July 2015), pp. 17-20; BAM 210 (July 2015), p. 1. A client is entitled to the most beneficial MA category, which is the category which results in eligibility or the least amount of excess income. BEM 105, p. 2. When the ex parte review shows that an MA recipient is eligible for MA under another category, the Department must change the coverage. BAM 220, p. 17.

In this case, the evidence at the hearing established that Petitioner lived with her ■■■ year-old son. The parent who lives with a dependent child is eligible for MA under the Group 2 Caretaker (G2C) program. BEM 135 (January 2015), p. 1. To be a dependent child, a child must meet the following age and school requirement: (i) he must be under age 18 or (ii) age 18 and a full-time student in a high school or the equivalent level of vocational or technical training and expected to complete his educational or training program before age 19. BEM 135 (January 2015). In this case, Petitioner did not indicate in her redetermination that her son was attending school (Exhibit A, p. 3). Because Petitioner's son was age ■■■ and not a full-time student, Petitioner was not eligible for MA under the G2C program.

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 Petitioner's MA case. Because Petitioner indicated that since her redetermination, her weekly hours of employment and her weekly income had decreased, Petitioner is informed that she is entitled to submit a new application for MA benefits and have her eligibility for MA determined based on her most recent income information.

DECISION AND ORDER

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



Zainab Baydoun
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **11/13/2015**

Date Mailed: **11/13/2015**

ZB / 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]