

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-001952
Issue No.: 2010
Case No.: [REDACTED]
Hearing Date: March 18, 2015
County: Wayne (17)

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 March 18, 2015, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], manager, and [REDACTED] specialist.

ISSUE

The issue is whether DHS 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 recipient.
2. Claimant's HMP eligibility was scheduled for review, effective 10/2014.
3. Claimant received employment income of \$800 on [REDACTED] and \$880 on [REDACTED].
4. On [REDACTED], DHS determined that Claimant had excess income for HMP eligibility and terminated Claimant's HMP eligibility effective 10/2014.
5. On [REDACTED] Claimant requested a hearing to dispute HMP eligibility.

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. DHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. DHS 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 Modified Adjusted Gross Income Related Eligibility Manual (MAGIREM).

Claimant requested a hearing to dispute a termination of HMP eligibility. Claimant's HMP eligibility initially stopped due to an alleged Claimant failure to return redetermination documents (see Exhibit 2). DHS eventually conceded during the hearing that Claimant returned sufficient documentation to have her HMP eligibility redetermined. DHS then eventually alleged that Claimant's HMP eligibility was terminated due to excess income.

DCH Bulletin MSA 14-03 dated [REDACTED] states that income eligibility for HMP requires income at or below 133% of the federal poverty level under the Modified Adjusted Gross Income methodology. This standard is consistent with DHS policy which states that HMP income limits are based on 133% of the poverty level. RFT 246 (4/2014), p. 1.

DHS annoyingly failed to provide a budget or income letter to justify Claimant's termination of HMP eligibility. Without a budget, it is impossible to determine whether DHS properly terminated Claimant's HMP eligibility. The analysis will attempt to independently determine Claimant's HMP eligibility.

DHS group composition policy for MA eligibility requires that Claimant's MA eligibility is based on a group size excluding her 19 year old son (see BEM 211). An HMP determination depends on whether Claimant is a tax filer and whether her son is a tax dependent.

The size of the household will be determined by the principles of tax dependency in the majority of cases. MAGIREM (5/24/14), p. 5. The household for a tax filer, who is not claimed as a tax dependent, consists of: tax filer, filer's spouse, and tax dependents. *Id.*

The household for a non-tax filer who is not claimed as a tax dependent, consists of the: individual, individual's spouse, and individual's natural, adopted and step children under the age of 19 or under the age of 21 if a full time student. *Id.*

Insufficient evidence was accepted concerning Claimant's status as a tax filer and whether her son is a tax dependent. The group size is important because the income limit for a 1-person HMP group is \$15,521.10 /year (\$1293.43/month) (see <http://www.medicaid.gov/>). The income limit for a 2-person group is \$20,920.90/year (\$1743.41/month). As it happens, Claimant's income may be too high for HMP eligibility based on a 1-person group, but not a 2-person group.

DHS presented evidence that Claimant's only income was from employment. Claimant received \$800 on [REDACTED] and \$880 on [REDACTED] in gross employment wages. Claimant credibly testified that her [REDACTED] pay included holiday wages which she does not normally receive. Uncertainties in determining Claimant's income include the following: whether DHS counted Claimant's holiday pay, whether Claimant's son has income, and whether Claimant's 9/2014 pays are reflective of her annual pay.

DHS failed to present sufficient evidence of Claimant's HMP eligibility. It is possible that DHS properly terminated Claimant's HMP eligibility. It is certain that DHS failed to provide sufficient evidence of HMP termination. DHS has the burden of proof to justify the benefit termination. Due to their failure to meet their burden of proof, DHS will be ordered to reinstate Claimant's HMP eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS failed to provide sufficient evidence to justify termination of Claimant's HMP eligibility. It is ordered that DHS reinstate Claimant's HMP eligibility, effective 10/2014. The actions taken by DHS are **REVERSED**.



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

Date Signed: **3/27/2015**

Date Mailed: **3/27/2015**

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 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:

