

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 15-002704
Issue No.: 2001
Case No.: ██████████
Hearing Date: March 26, 2015
County: Wayne-District 19 (Inkster)

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. After due notice, a telephone hearing was held on March 26, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's January 8, 2015 application for 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. On January 8, 2015, Claimant applied for MA benefits.
2. In her application, Claimant reported that she had been employed within the previous 30 days.
3. On an unknown date, the Department sent Claimant a supplemental questionnaire requesting proof of employment and other verifications.
4. On January 16, 2015, Claimant submitted verification of loss of employment.
5. On February 20, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying her that her application was denied.

6. On February 24, 2015, Claimant filed a request for hearing disputing the Department's actions.

CONCLUSIONS OF LAW

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

The February 20, 2015 Health Care Coverage Determination Notice notified Claimant that she was denied MA coverage because she (i) was not blind, disabled, pregnant, the parent/caretaker relative of a dependent child and did not meet the age requirements and (ii) her annual income of \$29,978 exceeded the income limit of \$15,521.10 applicable to a group size of one.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled or (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women. BEM 105 (January 2014), p. 1. In her January 8, 2015 MA application, Claimant did not identify herself as disabled, as having minor children, or as being under age 18 or over age 65. Accordingly, Claimant was not eligible for SSI-related MA or family-related MA policies. See BEM 105 (October 2014), pp. 1, 3-4.

Individuals who do not qualify for other MA programs may be eligible for the Healthy Michigan Plan (HMP). HMP provides health care coverage for individuals who:

- Are age 19-64 years
- Have income at or below 133% of the federal poverty level under the Modified Adjusted Gross Income (MAGI) methodology
- Do not qualify for or are not enrolled in Medicare
- Do not qualify for or are not enrolled in other Medicaid programs
- Are not pregnant at the time of application
- 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>.

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 indicated in her application 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. 133% of the annual federal poverty level for a household with one member is \$15,521 for 2014 and \$15,654.10 for 2015. <http://aspe.hhs.gov/POVERTY/14poverty.cfm>. Therefore, Claimant is income-eligible for HMP if her annual income does not exceed \$15,654.10.

Department policy provides that in determining an applicant's eligibility for 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.

In this case, the Department denied Claimant MA coverage because it concluded that her annual income of \$29,978 exceeded the income limit for HMP eligibility. However, Claimant explained that at the time of her January 8, 2015 application she was unemployed, having lost her job in December 2014. Although Claimant's application identified employment income, Claimant explained that the online application process asked her if she had income in the last 30 days and when she responded affirmatively, the system would not allow her to proceed until she entered her earnings. However, the Department subsequently requested additional information, and the Department acknowledged that on January 16, 2015 Claimant submitted documentation verifying end of employment. Therefore, the income information it used to calculate her income at time of application was inaccurate.

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 did not act in accordance with Department policy when it denied Claimant's MA application.

DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister and reprocess Claimant's January 8, 2015 MA application;
2. Provide Claimant with MA coverage she is eligible to receive from January 1, 2015 (and any requested retroactive months); and
3. Notify Claimant in writing of its decision.



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

Date Signed: **3/30/2015**

Date Mailed: **3/31/2015**

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 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:

[REDACTED]
[REDACTED]
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