

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

IN THE MATTER OF:



Reg. No.: 15-005201
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: May 20, 2015
County: Ingham

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on May 20, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) case based on income in excess of program limits?

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 7, 2015, Claimant applied for Healthy Michigan Plan (HMP) MA benefits.
2. In January 2015, Claimant submitted income verifications for himself and his wife, but the documentation for his income was not legible.
3. On February 9, 2015, a Health Care Coverage Determination Notice was issued to Claimant stating he was approved for January 1, 2015, and ongoing.
4. On February 19, 2015, Claimant provided additional requested income verifications.

5. On March 16, 2015, a Health Care Coverage Determination Notice was issued to Claimant stating he was not eligible for MA effective April 1, 2015, based on the household income exceeding the program limit.
6. On March 26, 2015, Claimant submitted a hearing request contesting the Department's determination.

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.

For HMP, the household for a tax filer, who is not claimed as a tax dependent, consists of: the individual, individual's spouse, and tax dependents. Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, May 28, 2014, p. 12. A December 15, 2014, case note documents that Claimant reported he files income tax with his wife even though they are separated.

For HMP, the income limit for adults age 19-64 is 133 percent of the federal poverty limit. Michigan Department of Community Health, Modified Adjusted Gross Income Related Eligibility Manual, May 28, 2014, p. 2. The Health Care Coverage Determination Notice provides a chart of the annual income limits for HMP. For a group size of two persons age 19-64, the annual income limit was \$20,920.90. However, this chart appears to be based on the 2014 federal poverty limit. See Federal Register, Vol. 79, No. 14, January 22, 2014, pp. 3593-3594. The federal poverty limit annual update was effective January 22, 2015. The updated 133 percent federal poverty limit applicable for a group size of two persons age 19-64, is an annual income limit of \$21,186.90. See Federal Register, Vol. 80, No. 14, January 22, 2015, pp. 3236-3237.

It appears that Claimant's annual income amount listed on the Health Care Coverage Determination Notice, \$ [REDACTED] was an error. That income amount would be under the HMP income limit for even one individual, let alone a HMP household composition of two persons. The Hearing Facilitator explained that using the verified income from employment, Claimant and his wife have an annual income of \$ [REDACTED]. Additionally, there is rental

income of \$ [REDACTED] per month. This would add \$ [REDACTED] to the household income. Accordingly, the Department determined that Claimant was not eligible for HMP because the income exceeded the limit for the group size.

Claimant disagrees with the determination noting that his income is below income limit. Claimant testified that he and his wife have been separated since October 2013. Claimant explained that he filed taxes with his wife to help her to have money to pay her rent and stuff. Claimant also explained that the rent income from their daughter is also to help his wife, not him.

Under the above cited policy, the household composition for HMP is based on tax filing. It was uncontested that Claimant and his wife filed taxes together. Therefore, Claimant's wife's income was properly included in the eligibility determination based on a household composition of two persons. Considering the income from employment and the rental income, the household income exceeded the applicable HMP income limit using either the 2014 or the 2015 figures. There was no evidence that Claimant met the eligibility criteria for any other MA category.

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 Claimant's HMP-MA case based on income in excess of the program limit.

DECISION AND ORDER

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



Colleen Lack
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **6/5/2015**

Date Mailed: **6/5/2015**

CL / jaf

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:

