

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

**IN THE MATTER OF:**

████████████████████  
████████████████████  
████████████████████████████████████████

Reg. No.: 15-005886  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: June 01, 2015  
County: Macomb-District 36

**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; and Mich Admin Code, R 792.11002. After due notice, an in-person hearing was held on June 1, 2015, from Sterling Heights, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearing Facilitator.

**ISSUE**

Did the Department properly close Claimant's case for Medical Assistance (MA) benefits under the Healthy Michigan Program (HMP)?

**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 recipient of MA benefits under the HMP plan.
2. In February 2015, Claimant submitted an MA redetermination and reported a work promotion (Exhibit A).
3. On March 18, 2015, the Department sent Claimant a Verification Checklist (VCL) requesting proof of the last 30 days' employment by March 30, 2015.
4. On March 29, 2015, Claimant submitted her paystub dated March 6, 2015, showing gross income of \$1008.28.
5. On March 31, 2015, the Department sent Claimant a Health Care Coverage Determination Notice notifying Claimant that effective May 1, 2015, her MA case

would close because she was not pregnant, the caretaker of a minor child, under 21 or over 65, disabled, or blind and because her income exceeded the limit for MA eligibility.

6. On April 2, 2015, Claimant submitted an additional paystub for pay date March 20, 2015, showing gross pay of \$688.09.
7. On April 10, 2015, Claimant filed a request for hearing disputing the Department's actions.

### **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.

Claimant disputed the Department's closure of her MA case. The March 31, 2015, Health Care Coverage Determination Notice notified Claimant that the application was denied because (i) she was not under 21, pregnant, the caretaker of a dependent child, over 65, blind or disabled and (ii) her income exceeded the income limits for her household size.

MA is available (i) to individuals who are aged (65 or older), blind or disabled under SSI-related categories, (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 (January 2014), p. 1; 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>.

At the hearing, the Department explained that Claimant 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. 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>.

The Department explained that Claimant's increased earnings due to her promotion made her income ineligible for continued HMP coverage. 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 Claimant was a tax filer and had no spouse or 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, *available at* [http://www.michigan.gov/documents/mdch/MAGI\\_Manual\\_457706\\_7.pdf](http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf). 133% of the annual FPL in 2015 for a household with one member is \$15,654. <http://aspe.hhs.gov/POVERTY/15poverty.cfm>. If an individual is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MAGI Related Eligibility Manual, § 7.2. Therefore, Claimant is income-eligible for HMP if her annual income does not exceed \$15,654, or, with the 5% disregard, if her annual income does not exceed \$16,436.80.

The March 31, 2015, Health Care Coverage Determination Notice indicates that the Department used annual income of \$24,288.60 in determining Claimant's health care coverage. At the hearing, the Department explained that in calculating Claimant's annual income at the time the Notice was issued, it relied on the March 6, 2015, biweekly paystub Claimant provided in response to the March 18, 2015 VCL that showed \$1008.28 in gross earnings. The Department testified that, when Claimant submitted the March 20, 2015, paystub showing gross income of \$688.09, it recalculated her HMP eligibility, but concluded that, even after updating her income to reflect this new paystub, Claimant's gross monthly income of \$1696.37 (Exhibit F) continued to make her income ineligible for HMP. Based on monthly income of \$1696.37, Claimant's annual income is \$20,356. Because this annual figure is greater than the \$16,436.80 income limit for HMP eligibility, the Department acted in accordance with Department policy when it concluded that Claimant was not income eligible for HMP based on her verified income.

At the hearing, Claimant testified that her pay during the period examined by the Department was unusually high, explaining that she was working on a big project during the period at issue that was not expected to continue. 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." The regulations

further provide that, in determining current monthly or projected annual household income, the Department may adopt a reasonable method “to include a prorated portion of reasonably predictable future income, to account for a reasonably predictable increase or decrease in future income, or both, as evidenced by a signed contract for employment, a clear history of predictable fluctuations in income, or other clear indicia of such future changes in income,” with future increases or decreases in income verified in accordance with policy. 42 CFR 435.603(h)(3).

Under Department policy, 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. 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 (October 2014), p. 2.

In her redetermination, Claimant reported working 20 hours weekly at \$13 per hour, which would result in annual income of \$12,480 (Exhibit A). However, the paystubs presented during the redetermination month showed biweekly hours of 77.5 and 52.93, considerably over the reported 40 hours weekly (Exhibit E). The November 18, 2014, letter completed by Claimant’s employer that Claimant submitted to the Department on April 10, 2015, showed that that Claimant was promoted to a part-time position at a \$13 hourly rate but did not identify the number of hours she would be expected to work (Exhibit H). Therefore, based on the information the Department had at the time of the redetermination, the Department acted in accordance with Department policy when it used the paystubs provided, concluded that Claimant was income-ineligible for HMP, and closed her case for excess income.

The evidence at the hearing established that Claimant was not eligible for other MA coverage under other categories based on being the caretaker of a minor child, pregnant, under age 18 or over age 65. Although she submitted documentation with her hearing request indicating that she was disabled due to a hearing impairment, there was no evidence that Claimant had previously identified herself as disabled to the Department. Therefore, the Department acted in accordance with Department policy when it concluded, based on the information available to it at the time of redetermination, that Claimant was not eligible for any MA coverage. BAM 220 (April 2015), p. 17.

Because Claimant’s subsequent income showed a decrease in hours, she was advised to reapply for MA based on the updated income. Because she also alleged that she was disabled, she was also advised that she could apply for disability-based MA, which would require an assessment of whether she is disabled in accordance with policy and incapable of substantial gainful activity.

**DECISION AND ORDER**

The Department's MA decision is **AFFIRMED**.



---

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

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

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

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 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]  
[REDACTED]