

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-007867  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: July 14, 2015  
County: Oakland-District 3

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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, telephone hearing was held on July 14, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department included [REDACTED] as hearing facilitator.

**ISSUE**

Did the Department of Health and Human Services (Department) properly close the Claimant's Healthy Michigan Program (HMP) 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. The Claimant was an ongoing Medical Assistance (MA) recipient.
2. The Claimant's husband receives monthly earned income in the gross monthly amount of \$ [REDACTED]
3. On April 28, 2015, the Department notified the Claimant that her child was eligible for Medical Assistance (MA) with a \$ [REDACTED] deductible, as of May 1, 2015.
4. On May 11, 2015, the Department received the Claimant's request for a hearing protesting the closure of his Healthy Michigan Program (HMP) benefits.

**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.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2014).

The income limit for a child under the age of 19 to receive MA benefits 160% of that amount. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

The Claimant was an ongoing MA recipient when the Department initiated a routine redetermination of her eligibility to receive continuing benefits. The Claimant received monthly earned income in the gross monthly amount of \$ [REDACTED] which was determined by dividing his quarterly earnings of \$ [REDACTED] by three months. Since the group's monthly earnings exceed 160% of the federal poverty level, the Claimant's child is not eligible to receive MA in the MAGI based Under 19 category.<sup>1</sup>

The Department then determined eligibility for the Claimant's child in the Group 2 Under 21 category. The group receives monthly income in the gross monthly amount of \$ [REDACTED]. The father's prorated income of \$ [REDACTED] was determined by subtracting the standard \$ [REDACTED] deduction from his monthly income then dividing by the 4.9 prorate divisor. The prorate divisor was determined by adding two for his two dependents in his household to the standard 2.9 divisor. The father and child's share of the group's income is their total income less the \$ [REDACTED] deduction minus the father's prorated income, which is \$ [REDACTED]. Total net income for the Claimant's child is \$ [REDACTED] which is the sum of the father's prorated income and the father and child's share. The patient deductible is the amount the group's income exceeds the protected income level. Department of

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<sup>1</sup> Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual. This manual is available on the internet at [http://www.michigan.gov/documents/mdch/MAGI\\_Manual\\_457706\\_7.pdf](http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf)

Health and Human Services Bridges Eligibility Manual (BEM) 536 (January 1, 2015), pp 1-7.

A review of claimant's case reveals that the Department budgeted correct amount of income received by the Claimant. Claimant's protected income level is \$ [REDACTED] and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department of Human Services Reference Table Manual (RFT) 240 (December 1, 2013), p 1. Department's determination that the Claimant's child has a \$ [REDACTED] deductible per month that must be met in order to qualify for MA for any medical expenses above is therefore correct.

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 determined the Claimant's eligibility for Medical Assistance (MA) benefits.

**DECISION AND ORDER**

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



Kevin Scully  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **7/21/2015**

Date Mailed: **7/21/2015**

KS/las

**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:

