

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-011150  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: August 31, 2015  
County: OAKLAND-DISTRICT 2

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**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 August 31, 2015, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant's Authorized Hearing Representative. The Claimant did not appear. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Eligibility Specialist and [REDACTED], Assistance Payments Supervisor.

**ISSUE**

Did the Department properly deny the Claimant's application for Medical Assistance and fail to process the application?

**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, through her AHR, filed an application for MA on [REDACTED].
2. The Department issued a Health Care Coverage Determination Notice on [REDACTED] which denied the Claimant's application. The application shows Claimant's annual income to be \$5,000. Exhibit 2.
3. The Claimant's AHR filed a timely hearing request on [REDACTED] protesting the Department's failure to process the application.

## **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.

In this case, the Department denied the Claimant's application for MA dated [REDACTED] Exhibit 2. The application was denied because the Claimant was allegedly enrolled in Plan First but had applied for HMP. The Notice did not deny the Claimant because she had an open Plan First case. The Department conceded that the Claimant should have been considered for HMP, but was not. At the time of the hearing, the Department had already sought a help desk ticket (no correction to date). The Department conceded the Claimant was eligible for HMP.

The [REDACTED] Health Care Coverage Determination Notice notified Claimant that her case closed because she was not under 21, pregnant, the caretaker of a dependent child, over 65, nor blind or disabled. Exhibit 1

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>.

Individuals who do not qualify for other MA programs may be eligible for the Healthy Michigan Plan (HMP). 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 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 denied the [REDACTED] application based upon the MAGI search engine information, which provides annual income. In this case, the Claimant's income was determined to be \$5,000 which did not exceed the \$15,521 for an individual between the ages of 19-54 and a group of one. Exhibit 1. Individuals who do not qualify for other MA programs, may be eligible for the Healthy Michigan Plan (HMP). 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 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/dchmedicaid/manuals/MedicaidProviderManual.pdf>.

The Department, based upon the evidence presented, failed to establish that it properly denied the application because the Claimant was eligible and active for Plan First although that was not the stated reason on the Notice for the application denial. BEM 105 requires that:

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 (October 1, 2014), p. 2

The following lists the order in which to consider MAGI-related MA categories. Certain state-funded programs for families are included in addition to MAGI-related MA categories: BEM 110, Low-Income Family MA.

1. BEM 111, Transitional MA.
2. BEM 113, Special N/Support.
3. Children under 19.
4. Pregnant Women.
5. Parents or Caretakers.
6. Plan First!
7. Group 2 Under 21.
8. Group 2 Caretaker Relative.

Thus, as can be seen, the Department did not afford the Claimant the most beneficial category as Plan First is near the bottom. BEM 105, pp. 3-4

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 failed to consider the Claimant's eligibility for HMP and because the Claimant was a recipient of Plan First.

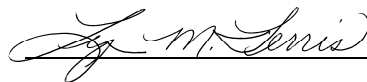
### **DECISION AND ORDER**

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. The Department shall reregister and reprocess the Claimant's [REDACTED] application and determine whether Claimant is eligible for HMP in accordance with Department policy.
2. The Department shall provide written notice of its eligibility determination to the Claimant and the Claimant's AHR Advomas.



**Lynn M. Ferris**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **9/9/2015**

Date Mailed: **9/9/2015**

LMF / 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 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:

