

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

**IN THE MATTER OF:**

[REDACTED]

MAHS Reg. No.: 15-015196  
Issue No.: 2001  
Agency Case No.: [REDACTED]  
Hearing Date: October 15, 2015  
County: Macomb-District 12

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**HEARING DECISION**

Following Petitioner'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 October 15, 2015, from Detroit, Michigan. Petitioner and [REDACTED], her husband, appeared on Petitioner's behalf. The Department was represented by [REDACTED], Eligibility Specialist/Hearing Facilitator.

**ISSUE**

Did the Department properly close Petitioner's case for Medical Assistance (MA)?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing recipient of MA benefits under the Healthy Michigan Plan (HMP).
2. Petitioner is married.
3. Petitioner and her husband file taxes jointly and have no dependents.
4. Petitioner's husband has gross monthly Retirement, Survivors and Disability Insurance (RSDI) income of \$ [REDACTED] and gross monthly pension income of \$ [REDACTED].
5. On July 21, 2015, Petitioner submitted a redetermination concerning ongoing MA eligibility (Exhibit H).

6. On August 6, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that her MA case would close effective September 1, 2015, because she was not under 21 nor over 65, pregnant, the caretaker of a minor child in the home, blind, or disabled and because she was not income eligible (Exhibit A).
7. On August 11, 2015, Petitioner 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), Reference Tables Manual (RFT), Department of Health and Human Services Medicaid Provider Manual (MPM), Department of Health and Human Services Modified Adjusted Gross Income Related Eligibility Manual (MREM), 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.

MA is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (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; MPM, Healthy Michigan Plan, § 1.1.

At the hearing, the Department explained that Petitioner 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. MPM, Healthy Michigan Plan, § 1.1.

The Department explained that it had previously failed to properly budget all of Petitioner's household's income and when it properly budgeted the income in processing Petitioner's redetermination, it became aware that Petitioner was not income-eligible for HMP. 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 Petitioner and her husband filed jointly and claimed no dependents. Therefore, for MAGI purposes, she has a household size of two. MREM, § 5.2. 133% of the annual FPL in 2015 for a household with two members is \$ [REDACTED] <http://aspe.hhs.gov/POVERTY/15poverty.cfm>.

In this case, Petitioner's household's monthly gross income consisted of her husband's \$ [REDACTED] RSDI income and \$ [REDACTED] pension. This \$ [REDACTED] in gross monthly income multiplied by 12 results in annual income of \$ [REDACTED] which is over the HMP income-eligibility limit. However, if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2. 5% of the FPL for a two-person group is \$ [REDACTED]. Petitioner's household's annual income of \$ [REDACTED] less \$ [REDACTED] is \$ [REDACTED]. Because \$ [REDACTED] remains over the HMP income limit, Petitioner is not income eligible for HMP even when the 5% disregard is applied.

However, before closing Petitioner's case due to ineligibility for HMP, the Department was required to conduct an ex parte review unless Petitioner was ineligible for MA coverage under any category. BAM 220 (April 2015), p. 17; BAM 210 (April 2015), p. 1. When the ex parte review shows that an MA recipient is eligible for MA under another category, the Department must change the coverage. BAM 220, p. 17. When the ex parte review shows that a recipient may have continuing eligibility under another category, but here is not enough information in the case record to determine continued eligibility, the Department must send a verification checklist (including disability determination forms as needed) to proceed with the ex parte review. If the client fails to provide requested verifications or if a review of the information provided establishes that the recipient is not eligible under any MA category, the Department sends timely notice of MA case closure. BAM 220, p. 17. MA coverage continues until the client no longer meets the eligibility requirements for any other MA category. BAM 220, p. 17.

In this case, Petitioner's husband confirmed at the hearing that Petitioner was not pregnant, under age 19 or over age 65, or the caretaker of a minor child in the home but alleged that Petitioner had multiple health issues and was blind in one eye. However, Petitioner did not indicate that she was blind or disabled in either the redetermination she submitted July 21, 2015, (Exhibit H) or in the initial application for health insurance she filed on November 19, 2014, (Exhibit I). Because there was no evidence indicating that Petitioner alleged a disability or blindness in documentation she submitted to the Department prior to her MA case under HMP closing, the ex parte review would not reveal that Petitioner was eligible for MA under any category other than HMP. Therefore, the Department properly closed Petitioner's MA case.

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 Petitioner's MA case.

**DECISION AND ORDER**

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



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**Alice C. Elkin**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

Date Mailed: **10/20/2015**

ACE/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:

