

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

**IN THE MATTER OF:**

██████████  
██████████  
██

MAHS Reg. No.: 15-019621  
Issue No.: 2001  
Agency Case No.: ██████████  
Hearing Date: January 07, 2016  
County: Macomb-District 12

**ADMINISTRATIVE LAW JUDGE: Zainab Baydoun**

**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 three way telephone hearing was held on January 7, 2016, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by ██████████, Hearings Facilitator and ██████████, Lead Worker from the Office of Child Support (OCS).

**ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) case on the basis that her income exceeded the limit?

**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) category. (Exhibit B)
2. In connection with a redetermination, Petitioner's eligibility for MA was reviewed.
3. On September 29, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that for the period of November 1, 2015, ongoing, she was ineligible for MA on the basis that she was not blind, disabled, pregnant, parent/caretaker relative of a dependent child and that she does not meet age requirements. The Notice also indicated that Petitioner's income of \$24,804 was used to determine her income eligibility for MA. (Exhibit A)

4. On October 16, 2015, Petitioner requested a hearing disputing the closure of her MA case.

### **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 stated that Petitioner's eligibility to receive MA under the HMP was reviewed in connection with a redetermination. The Department stated that based on her wages and self-employment income, Petitioner's continued eligibility for MA was denied because her income was in excess of the limit for MA eligibility under the HMP. The Department stated that in calculating Petitioner's annual income, it relied on the information that Petitioner provided with her redetermination, specifically, the first page of her 2014 Federal Income Tax Return and other reported wages.

HMP provides health care coverage for individuals who:

- Are age 19-64 years
- Have income at or below 133% of the federal poverty level under the Modified Adjusted Gross Income (MAGI) methodology
- Do not qualify for or are not enrolled in Medicare
- Do not qualify for or are not enrolled in other Medicaid programs
- Are not pregnant at the time of application
- 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>.

A determination of a client's income eligibility for HMP under the MAGI methodology requires a determination of the client's household size and the applicable income limit for that group size. For MAGI purposes, the Department testified that Petitioner has a

household size of two. Michigan Department of Community Health, Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, § 5.2. 133% of the annual federal poverty level for a household with two members is \$21,186.90 for 2015. <http://aspe.hhs.gov/POVERTY/14poverty.cfm>. Therefore, Claimant is income-eligible for HMP if his annual income does not exceed \$21,186.90.

In this case, the Department testified that Petitioner provided one page of her 2014 Federal Income Tax Return with her redetermination and that based on that one page, Petitioner's case worker determined that she had \$1200 in wages and \$867 in self-employment income. (Exhibit C). At the hearing, the Department stated that Petitioner's case worker misinterpreted the documents and testified that Petitioner did not have any self-employment income. The Department confirmed that Petitioner was not self-employed and stated that it did not send Petitioner a verification checklist instructing her to provide complete and accurate income information prior to closing her MA case due to excess income. Petitioner stated that she is employed as a nail tech and that she is not self-employed. Thus, based on the evidence presented at the hearing, the Department improperly closed Petitioner's MA case under the HMP on the basis that her income exceeded the limit.

There was some testimony from the Department and the OCS representative that after closing Petitioner's HMP MA case based on excess income, it also determined that Petitioner was ineligible for MA under the Group 2 Caretaker category based on her non-cooperation with child support requirements. The Department conceded however, that it never sent Petitioner a Health Care Coverage Determination Notice advising of her ineligibility for MA based on a child support sanction. See BEM 255 (April 2015). A review of the September 29, 2015, Health Care Coverage Determination Notice indicates that no reference to non-cooperation with child support requirements is made. As such, any closure of Petitioner's MA case based on non-cooperation with child support is improper.

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 closed Petitioner's MA case under the HMP on the basis that her income exceeded the limit.

### **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. Reinstate Petitioner's MA case under the HMP effective November 1, 2015, ongoing;
2. Redetermine Petitioner's income eligibility for HMP;
3. Provide Petitioner with MA coverage under the most beneficial category from November 1, 2015, ongoing; and
4. Notify Petitioner in writing of its decision.



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**Zainab Baydoun**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **1/13/2016**

Date Mailed: **1/13/2016**

ZB / 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]  
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