



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR



Date Mailed: March 15, 2016  
MAHS Docket No.: 15-024014  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

### **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 March 2, 2016, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Assistance Payments Worker [REDACTED] and Assistance Payments Supervisor [REDACTED].

### **ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) beginning January 1, 2016?

### **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 Medical Assistance (MA) benefits under the Healthy Michigan Plan category.
2. On December 9, 2015, Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606) which stated she was not eligible for Medical Assistance (MA) because she was not under 21, pregnant, caretaker of a minor child, over age 65, blind, or disabled. The notice also stated that \$ [REDACTED] of annual income was used in determining Petitioner's eligibility.
3. On December 17, 2015, Petitioner submitted a hearing request.

## **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.

During this hearing it was determined that Petitioner is married so her benefit group size is two; and her husband receives a gross amount of Retirement Survivor Disability Income (RSDI) in the amount of \$ [REDACTED] per month. The Department contends that the household's gross income multiplied by 12 ( $\$ [REDACTED] \times 12 = \$ [REDACTED]$ ) exceeds the HMP income limit of \$ [REDACTED].

Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan, at page 1 states "The Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology." At page 3, under Income, it states "Modified adjusted gross income must be at or below 133 percent of the Federal Poverty Level (FPL)." The \$ [REDACTED] income limit was taken from the Health Care Coverage Determination Notice (DHS-1606) income grid for a household size of two for a household member between the ages of 19 – 64.

Bridges Eligibility Manual (BEM) 500 Income Overview, under definitions at page 3, states:

### **Modified Adjusted Gross Income (MAGI)**

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards.

Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges.

The calculation relied on by the Department for this eligibility determination is Petitioner's household's gross annual income. A recipient or applicant can only be found not eligible for HMP based on the MAGI methodology.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's Medical Assistance (MA) beginning January 1, 2016.

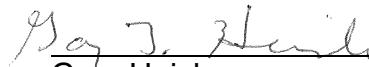
### **DECISION AND ORDER**

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 Medical Assistance (MA).
2. Re-determine her Medical Assistance (MA) eligibility from January 1, 2016 ongoing in accordance with Department policy.
3. Issue Petitioner a current notice of the re-determined Medical Assistance (MA) eligibility.

GH/nr



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Gary Heisler  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

**DHHS**

[REDACTED]

**Petitioner**

[REDACTED]