



RICK SNYDER  
GOVERNOR

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

MIKE ZIMMER  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: April 1, 2016  
MAHS Docket No.: 15-024272  
Agency No.: [REDACTED]  
[REDACTED]

**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 telephone hearing was held on March 3, 2016, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator. [REDACTED] served as Arabic Interpreter.

**ISSUE**

Did the Department properly process Petitioner's Medical Assistance (MA) benefits and determine that she and her husband were eligible for MA with a monthly deductible?

**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 and her husband were ongoing recipients of MA benefits under the Healthy Michigan Plan (HMP).
2. Petitioner and her husband live together and have four children.
3. In connection with a Wage Match Client Notice submitted on September 25, 2015, Petitioner and her husband's eligibility for MA was reviewed. (Exhibit B)
4. The Wage Match Client Notice reflects weekly pay for Petitioner's husband in the amount of \$350. (Exhibit B)

5. On November 13, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising her that effective December 1, 2015, she and her husband were eligible for MA with a monthly deductible of \$681. (Exhibit A)
6. Petitioner and her husband were approved for MA under the Group 2 Caretaker Relatives (G2C) program.
7. On December 23, 2015, Petitioner requested a 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), 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.

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 2016), p. 1; MPM, Healthy Michigan Plan, § 1.1.

At the hearing, the Department testified that Petitioner and her husband had previously been receiving MA under the 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 (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 after receiving a Wage Match Client Notice verifying her husband's employment, the eligibility of Petitioner and her husband to receive MA was reviewed. The Department testified that Petitioner and her husband were no longer

income eligible for HMP MA benefits and that effective December 1, 2015, the MA coverage was transferred to the G2C category with a monthly deductible of \$681. BEM 135 (October 2015), p. 1.

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, Petitioner testified that she lived with her husband and four children, one of whom is over 18, however, it was unclear how many children are claimed as dependents for tax purposes. Therefore, for MAGI purposes, and depending on the tax filing status and number of dependents, Petitioner will have a household size of either five or six. MREM, § 5.2. <http://aspe.hhs.gov/POVERTY/15poverty.cfm>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed 133% of the FPL applicable to her correct group size.

At the hearing, the Department did not present any evidence in support of its position that Petitioner and her husband had excess income for HMP eligibility other than the Wage Match Client Notice. In determining an individual's eligibility for MAGI-related MA (which includes HMP), 42 CFR 435.603(h)(2) provides that "for individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods . . . , a State may elect in its State plan to base financial eligibility either on current monthly household income . . . or income based on projected annual household income . . . for the remainder of the current calendar year."

The Department stated that it relied on the information obtained from the Wage Match which reflected weekly pay for Petitioner's husband of \$350. (Exhibit B). Based on the verified income, the Department stated that Petitioner's group had monthly earned income of \$1400. The Department did not indicate that the group had any additional earned or unearned income. Thus, when Petitioner's husband's monthly \$1400 income is multiplied by 12, the result is annual income of \$16,800. Therefore, the Department failed to establish that Petitioner and her husband had excess income for HMP, as based on the income information provided and relied upon by the Department, the income is below 133% of the FPL for Petitioner's household size.

Although the Department presented evidence concerning the calculation of the MA deductible in the amount of \$681, this will not be addressed as the Department failed to establish that it properly closed Petitioner's MA case under the HMP based on excess income.

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 determined that Petitioner had excess income for HMP and transferred MA coverage to the G2C program.

**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. Provide Petitioner and her husband with MA coverage under the HMP from December 1, 2015, ongoing; and
2. Notify Petitioner in writing of the Department's decisions.



ZB/tlf

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**Zainab Baydoun**  
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

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