



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: May 3, 2016  
MAHS Docket No.: 16-001785  
Agency No.: [REDACTED]  
Petitioner: [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 April 14, 2016, from Detroit, Michigan. The Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

### **ISSUE**

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

### **FINDINGS OF FACT**

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

1. On or around November 10, 2015, Petitioner submitted an application for MA through the Federally Facilitated Marketplace (FFM) that was transferred to the Department. (Exhibit A)
2. Petitioner is [REDACTED] years old, lives with and files taxes jointly with her husband and does not have any dependents.
3. Petitioner did not report on her application that she was blind or disabled. (Exhibit A)

4. On November 25, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice advising her that she was eligible for full coverage MA for the period of November 1, 2015, ongoing. (Exhibit C)
5. Petitioner was approved for MA under the Healthy Michigan Plan (HMP).
6. On January 20, 2016, the Department sent Petitioner a Health Care Coverage Determination Notice advising her that effective March 1, 2016, she was ineligible for HMP on the basis that she is eligible for or enrolled in Medicare. (Exhibit B)
7. On February 10, 2016, Petitioner requested a hearing disputing the Department's actions, indicating that she does not qualify for Medicare based on her age.

### **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. BEM 137 (January 2016), p. 1; MPM, Healthy Michigan Plan, § 1.1.

In this case, the Department testified that Petitioner, who is not disabled, and is under age 65 with no minor children, was initially approved for MA under the HMP category. BEM 105, p. 1; BEM 137, p. 1; (Exhibit C). The Department stated that after receiving verification of Petitioner and her husband's income, it determined that she was no longer eligible for MA under the HMP, as her income was in excess of the income limit. (Exhibit D; Exhibit E). The Department testified that it notified Petitioner of her ineligibility for HMP MA benefits effective March 1, 2016, by sending her a Health Care Coverage Determination Notice, dated January 20, 2016. (Exhibit B).

A review of the Notice and the reason for intended action indicates however, that the Department denied Petitioner's continued eligibility for HMP on the basis that she is eligible for or enrolled in Medicare, and thus ineligible for HMP. (Exhibit B, p. 2). At the hearing, the Department acknowledged that the denial reason listed on the Notice was incorrect, as Petitioner did not qualify for and was not enrolled in Medicare. The Department presented evidence in support of its position that Petitioner was ineligible for HMP on the basis that her income exceeded the limit for HMP purposes. An individual is eligible for HMP if his or 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 number of dependents. In this case, Petitioner did not have any dependents and files taxes jointly with her husband, thus her MA group size is two. 133% of the annual FPL in 2015 for a household with two members is \$21,186.90. <http://aspe.hhs.gov/POVERTY/15poverty.cfm>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$21,186.90.

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 in making the determination that Petitioner had excess income for HMP, it considered: monthly RSDI benefits for Petitioner in the amount of \$912; RSDI for Petitioner's husband in the amount of \$1073.90; and a monthly pension for Petitioner's husband in the amount of \$700.98. Petitioner confirmed that the amounts relied on by the Department were correct. The Department presented SOLQs and a statement verifying the pension was in support of its calculation. (Exhibit D; Exhibit E). Based on the verified income, Petitioner's total monthly income is \$2686.88. When Petitioner's monthly income is multiplied by 12, the annual income result (\$32,242.56) is greater than the \$21,860.90 income limit based on a group size of two.

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 determined that Petitioner was ineligible for MA effective March 1, 2016.

**DECISION AND ORDER**

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



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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