



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: May 6, 2016  
MAHS Docket No.: 16-003643  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

### **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 28, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly determined Petitioner's children's Medical Assistance (MA) eligibility.

### **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's children were ongoing Medicaid recipients.
2. Petitioner was a household member along with her 19-year-old and 15-year-old children.
3. Petitioner received biweekly gross employment income of \$1,171.25 on [REDACTED], and \$1,111.25 on [REDACTED].

4. Petitioner's 19-year-old child received biweekly gross employment income of \$770.70 on [REDACTED], and \$650.77 on [REDACTED].
5. On [REDACTED], MDHHS determined Petitioner's 19-year-old child was eligible for Medicaid subject to a \$956 deductible, effective February 2016.
6. On [REDACTED], MDHHS determined Petitioner's 15-year-old child was eligible for Medicaid subject to a \$1,691 deductible, effective March 2016.

### **CONCLUSIONS OF LAW**

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute determinations of MA eligibility for her two children, [REDACTED] (15 y/o) and [REDACTED] (19 y/o). As of the date of determination, both of Petitioner's children were under 21 years of age. Both were potentially eligible for Medicaid through Group 2 Under 21 (G2U). The evaluation will begin with each child's G2U eligibility.

Income eligibility [for G2U] exists when net income does not exceed the Group 2 needs in BEM 544. BEM 132 (January 2015), p. 2. [MDHHS is to] apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. *Id.*

It was not disputed that Petitioner and Amiya had employment income. Petitioner's earnings are not factored in her 19-year-old child's Medicaid eligibility; Petitioner's 19-year-old's child's earnings are factored. Adding Petitioner's child's biweekly earnings results in a total monthly income of \$1,421 (dropping cents). A \$90 earned income deduction decreases the countable income to \$1,331. Had Petitioner's child received Medicaid through the Family Independence Program or Low-Income-Family category, a further deduction could be granted; evidence was not presented if Petitioner's child received MA through FIP or LIF, however, it is doubtful when factoring Petitioner's full-time employment. Thus, no further employment deduction will be granted.

The running income amount is divided by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and Petitioner's child's dependents (Petitioner's child had none). Petitioner's child's pro-rated income is \$458 (dropping cents). Petitioner's child's pro-rated income is multiplied by 2.9 to determine her share of her own income (\$1,331).

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. It was not disputed that petitioner's child was not eligible for expense deductions.

The income limit for G2C eligibility for a 1-person group is \$375 (see RFT 240 (December 2013), p. 1). The amount that Petitioner's child's net income exceeds the income limit is the amount of deductible. Petitioner's 19 year-old child's deductible is calculated to be \$956, the same amount as calculated by MDHHS (see Exhibit 1, p. 5)

Petitioner's 15-year-old child had no income, however, her mother's income is counted. Adding Petitioner biweekly earnings results in a total monthly income of \$2,282 (dropping cents). A \$90 earned income deduction decreases the countable income to \$2,192. It is again presumed Petitioner's child did not receive FIP or LIF in the previous 4 months and is not eligible for a further employment income deduction.

The running income amount is divided by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and Petitioner's dependents (Petitioner had one minor child). Petitioner's child's pro-rated income is \$562 (dropping cents). Net income is calculated by multiplying Petitioner's child's prorated income by 3.9 which calculates to \$2,191.

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. It was not disputed that Petitioner's child was not eligible for expense deductions.

The income limit for G2C eligibility for a 2-person group is \$500 (see RFT 240 (December 2013), p. 1). The amount that Petitioner's child's net income exceeds the income limit is the amount of deductible. Petitioner's 15-year-old child's deductible is calculated to be \$1,691, the same amount as calculated by MDHHS (see Exhibit 1, p. 6)

Petitioner's children are also potentially eligible for HMP benefits. For HMP, each group member's eligibility are considered in one determination.

The Healthy Michigan Plan is a health care program administered by the Michigan Department of Community Health, Medical Services Administration. The program was implemented as authorized under the Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGI).

MDHHS presented a MAGI-Summary (Exhibit 1, p. 5) dated [REDACTED]. Petitioner's income was listed as \$2,465.10/month. Petitioner's child's employment income was listed as \$1,535.19. Petitioner did not dispute the listed amounts. It should be noted that income for HMP is taken from "trusted" federal data sources; thus, the income calculated for HMP eligibility may differ than income calculated for G2U eligibility.

Projecting the income listed on the MAGI-Summary to a full year results in a total income of \$48,003 (dropping cents). Petitioner's 19-year-old child's HMP income limit is \$26,719.70. Petitioner's 15 year-old child's HMP income limit is \$32,144.00. It is found both of Petitioner's children are ineligible for HMP due to excessive income.

Petitioner's 15-year-old child is potentially eligible for one other Medicaid category. MiChild is a FIP-related Medicaid Expansion program for children who are under 19 years of age... and who have no other health coverage. BEM 130 (January 2016) p. 4. MI Child income eligibility for children 1 through 18 years of age ranges from 160-212 percent of the FPL. Families pay a monthly premium for MiChild coverage. The premium amount is \$10.00 per family per month regardless of the number of children in the family.

MDHHS presented testimony that Petitioner's 15-year-old child was eligible for Medicaid. The testimony was not verified but was credible. It is found MDHHS properly determined the Medicaid eligibility for Petitioner's 15-year-old child.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner's 19-year-old child to be eligible for Medicaid subject to a \$956 deductible. It is also found MDHHS properly determined Petitioner's 15-year-old child to be eligible for Medicaid through MiChild. The actions taken by MDHHS are **AFFIRMED**.

CG/hw



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**Christian Gardocki**  
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]

[REDACTED]

**Petitioner**

[REDACTED]