



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR



Date Mailed: June 21, 2016
MAHS Docket No.: 16-004825
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 May 24, 2016, from Lansing, Michigan. Petitioner appeared and testified. Assistance Payments Worker [REDACTED] appeared for the Department and testified. Department's Exhibit A, pages 1-26 was admitted into evidence.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) eligibility on March 4, 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 Michigan Health Plan.
2. On June 22, 2015, Petitioner submitted a Verification of Employment (DHS-38) showing he had earned income.
3. On March 1, 2016, Petitioner submitted an online application for Food Assistance Program (FAP) benefits. The application included Petitioner's employment information and indicated he works 40 hours per week at a rate of \$ [REDACTED] per hour.

4. On March 4, 2016, Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606) which stated he was not eligible for Medical Assistance (MA) because his \$17,616 annual income exceeds his income limit for eligibility.
5. On March 14, 2016, Petitioner submitted another Verification of Employment (DHS-38) and one pay stub. The verifications showed that Petitioner is expected to work 40 hours per week at a rate of \$ [REDACTED] per hour, is paid every two weeks, received a gross pay of \$ [REDACTED] on February 19, 2016 and a gross pay of \$ [REDACTED] on March 4, 2016.
6. On March 31, 2016, 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.

In this case the Department entered the hours and pay rate Petitioner stated on his March 1, 2016 Food Assistance Program (FAP) application into the BRIDGES computer program. The result was the March 4, 2016 Health Care Coverage Determination Notice (DHS-1606) which shows Petitioner's annual income of \$ [REDACTED] exceeds his income limit for the program. There is no explanation of how that figure was derived. Calculating Petitioner's gross weekly pay would be 40 hours times \$ [REDACTED] = \$ [REDACTED]. Petitioner's weekly \$ [REDACTED] multiplied by 52 = \$ [REDACTED]. But that is \$ [REDACTED] more than the \$ [REDACTED] on the Health Care Coverage Determination Notice (DHS-1606).

More importantly is the fact that Petitioner was a recipient of Health Michigan Plan benefits which is a MAGI related MA category. Eligibility for MAGI related MA categories requires comparison of MAGI to the requisite percentages of the poverty level.

Bridges Eligibility Manual (BEM) 105 Medicaid Overview provides:

DEPARTMENT POLICY

MA Only

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled.

Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.

MONTHLY DETERMINATIONS

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month.

When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise.

Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan states:

DEPARTMENT POLICY

MA Only

The Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology.

Income

Modified adjusted gross income must be at or below 133 percent of the Federal Poverty Level (FPL).

Bridges Eligibility Manual (BEM) 500 Income Overview provides:

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 Department has not provided any explanation or authority to substitute a gross income calculation for MAGI in determining eligibility for the Healthy Michigan Plan. 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 Petitioner's Medical Assistance (MA) eligibility on March 4, 2016.

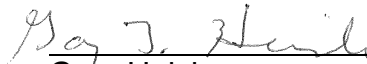
DECISION AND ORDER

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:

Reinstate Petitioner's Medical Assistance (MA) from April 1, 2016, re-determine Medical Assistance (MA) eligibility in accordance with Department policy from April 1, 2016, and issue Petitioner a current notice of the re-determined MA eligibility.

GH/nr



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]