



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: [REDACTED]
MAHS Docket No.: 16-006818
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 [REDACTED], 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 terminated Petitioner'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 was an ongoing MA benefit recipient.
2. As of [REDACTED] Petitioner was a single individual who was under 21 years of age.
3. Petitioner's countable income exceeded \$17,200.
4. Petitioner's countable assets exceeded \$3,000.

5. On [REDACTED], MDHHS terminated Petitioner's MA eligibility, effective [REDACTED].
6. On [REDACTED], Petitioner requested a hearing to dispute the termination of MA eligibility.

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 a termination of MA eligibility. One program for which Petitioner may have been eligible was Healthy Michigan Plan.

The Healthy Michigan Plan is a new health care program that will be administered by the Michigan Department of Community Health, Medical Services Administration. The program will be 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 Health Care Coverage Determination Notice (Exhibit 1, pp. 1-3) dated [REDACTED]. The notice indicated Petitioner's income exceeded the HMP limit.

Financial eligibility for Medicaid for applicants, and other individuals not receiving Medicaid benefits at the point at which eligibility for Medicaid is being determined, must be based on current monthly household income and family size. 42 CFR 435.603 (h)(1). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603 (h)(2).

As an ongoing HMP recipient, the latter policy citation applies to Petitioner. It is not known if Michigan elected to determine income based on projected income for the remainder of the year. As it happened, Petitioner's HMP income eligibility was not disputed.

Presented testimony indicated MDHHS determined Petitioner's income based on reporting from electronic sources. Petitioner initially alleged her income was less than the amount reported by MDHHS' electronic sources.

If the group's attested income is below the income threshold for the program being tested but the trusted data source indicates income above the income threshold, then reasonable compatibility test is performed:

- If income is reasonable compatible, then the applicant is eligible
- If the income is not reasonable compatible, then the program pends and the individual is required to provide proof of attested income.

Id., p. 15.

Income that is "reasonable compatible" is not defined by federal regulations. Federal regulations provide guidance on what is not "reasonable compatible" income. Attested income will be found not reasonably compatible with income from trusted sources if the difference exceeds 10%. *Id.*, p. 15.

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. The federal poverty level is \$11,880 for a one-person group. To be income-eligible for HMP benefits, Petitioner's income would have to fall at or below \$15,800.40. Petitioner testimony conceded her income exceeded not only the HMP income limit, but the limit plus an additional 10%.

It is found that MDHHS properly denied Petitioner ongoing HMP eligibility. MDHHS testimony indicated Petitioner was also considered for Medicaid based on Petitioner being under 21 years of age.

Medicaid is available to a person who is under age 21 and meets the eligibility factors in this item. BEM 132 (██████████) p. 1. Countable assets cannot exceed the asset limit in BEM 400. *Id.*, p. 2.

Asset eligibility is required for G2U. BEM 400 (April 2016), p. 6. The G2U asset limit is \$3,000 (see *Id.*). Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. *Id.*

Petitioner's testimony conceded her assets exceeded \$3,000 for every day during the month being tested. Petitioner essentially conceded MDHHS properly terminated her MA eligibility and resolved to reapply for MA. Petitioner's concessions were consistent with presented evidence. It is found MDHHS properly terminated Petitioner's MA eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's MA eligibility, effective [REDACTED]. The actions taken by MDHHS are **AFFIRMED**.

CG/hw

Christian Gardocki

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 [REDACTED]; 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]