



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: September 2, 2016
MAHS Docket No.: 16-009856
Agency No.: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. 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 August 22, 2016, from Detroit, Michigan. The Petitioner appeared for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Family Independence Specialist.

ISSUE

Did the Department properly deny Petitioner's application for Medical Assistance (MA) benefits?

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 June 21, 2016, Petitioner submitted an application for MA benefits. (Exhibit A)
2. A review of the MA application indicates that: Petitioner reported being [REDACTED] years old; that he does not have a physical disability or mental health condition; and that he is not the caretaker of a minor child. (Exhibit A)
3. Petitioner reported on the application that he is paid weekly and that his income changes from month to month. (Exhibit A)

4. On June 29, 2016, Petitioner submitted verification of his income, specifically, five weekly paystubs. (Exhibit B)
5. On July 7, 2016, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising him that from June 1, 2016, he was not eligible for MA. The Comments From Your Specialist Section of the Notice indicates that Petitioner was determined to have excess income for Medicaid. (Exhibit C)
6. On July 12, 2016, 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 Healthy Michigan Plan (HMP) coverage. BEM 105 (January 2016), p. 1.

HMP is a MAGI-related MA category that 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.

Petitioner, who is under age 64, not disabled, and not the caretaker of any minor children is potentially eligible for MA under the HMP. An individual is eligible for HMP if his 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, the evidence showed that Petitioner's household size for MAGI purposes is one. 133% of the annual FPL in 2016 for a household with one member is \$15,800. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$15,800 and thus, his monthly income cannot exceed \$1,316.66, as he is a new applicant.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (January 2016), p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, 42 CFR 435.603(h)(1) provides that "[f]inancial 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."

In connection with the application, Petitioner submitted five of his weekly earnings statements to verify his monthly income. The Department testified that in calculating Petitioner's annual income, it relied on the earnings statements provided and considered Petitioner's gross weekly income, specifically: ██████ paid on ██████; ██████; ██████ paid on ██████; ██████ paid on ██████; \$█████ paid on ██████; and ██████ paid on ██████. (Exhibit B). A review of the earnings statements indicates that there are no federal taxable wages reflected and no indication that Petitioner's employer deducts any of Petitioner's gross wages for health coverage, child care, retirement savings, or any other applicable deductions. Thus, the Department properly relied on the gross weekly income as reflected on the earnings statement to calculate Petitioner's MAGI. Although the Department did not clearly articulate the total monthly income it calculated, based on the figures relied upon by the Department, the sum of Petitioner's monthly income is ██████, which is greater than the ██████ monthly income limit for HMP based on Petitioner's household size of one. Therefore, the Department properly denied Petitioner's MA application based on excess income, as upon further review, Petitioner is also not income eligible for HMP even when the 5% disregard is applied. See MREM, § 7.2.

At the hearing, Petitioner asserted that his income has since decreased and that his hours of employment fluctuate. Petitioner is informed that given the current change in his circumstances, he was entitled to submit a new application for MA and have his eligibility determined based on his decreased current monthly 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 acted in accordance with Department policy when it denied Petitioner's MA application based on excess income.

DECISION AND ORDER

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



ZB/tlf

Zainab A. 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

DHHS

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

Via Electronic Mail:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]