



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 29, 2016  
MAHS Docket No.: 16-011173

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie**

**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 September 6, 2016, from Lansing, Michigan. The Petitioner was represented by herself and her advocate, [REDACTED], from [REDACTED] [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED], Assisted Payments Supervisor.

**ISSUE**

Did the Department properly determine that the Petitioner had excess income for Medical Assistance (MA) Freedom to Work (FTW)?

**FINDINGS OF FACT**

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

1. The Petitioner applied for MA FTW in July 14, 2016, but she was still currently active under [REDACTED] that provided her with medical benefits. Department Exhibit 1, pg. 15.
2. On July 14, 2016, the Department Caseworker determined that the Petitioner had excess income for MA FTW because her earned income of [REDACTED] every 2 weeks from employment and [REDACTED] of unearned income from [REDACTED] income resulting in [REDACTED] in yearly countable income, which was over the

██████ of the federal poverty level of ██████ per year. Department Exhibit 1, pgs. 6-14 and 16-18.

3. On July 14, 2016, the Department sent the Petitioner a Health Care Coverage Determination Notice, DHS 1606, that she excess income exceeding ██████ of the poverty level for FTW so the Department is unable to open a MA case at this time, but she is eligible for MA with a deductible of ██████ per month. Department Exhibit 1, pgs. 4-5.
4. On July 27, 2016, the Department received a hearing request from the Petitioner, contesting the Department's negative action.

### **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 Petitioner applied for MA FTW in July 14, 2016, but she was still currently active under ██████ that provided her with medical benefits. Department Exhibit 1, pg. 15. On July 14, 2016, the Department Caseworker determined that the Petitioner had excess income for MA FTW because her earned income of ██████ every 2 weeks from employment and ██████ of unearned income from ██████ income resulting in ██████ in yearly countable income, which was over the ██████ of the federal poverty level of ██████ per year. Department Exhibit 1, pgs. 6-14 and 16-18. On July 14, 2016, the Department sent the Petitioner a Health Care Coverage Determination Notice, DHS 1606, that she excess income exceeding ██████ of the poverty level for MA FTW so the Department is unable to open a MA FTW case at this time, but she is eligible for MA with a deductible of ██████ per month. Department Exhibit 1, pgs. 4-5. On July 27, 2016, the Department received a hearing request from the Petitioner, contesting the Department's negative action. BEM 174, 500, 501, 503, and 541. BAM 115.

During the hearing, the Petitioner and her Advocate stated that if she received the deductions of [REDACTED] of earned income that she would meet the income criteria. However, they were mistaken because the deductions to determine MA FTW premiums are used after the Petitioner meets the [REDACTED] of the federal poverty level. If she has excess income, the Department never calculates the budget for the MA FTW premiums. She is just denied eligibility for MA FTW benefits.

### **DECISION AND ORDER**

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 the Petitioner has excess income for MA FTW. However, the Petitioner does qualify for MA with a deductible of [REDACTED] a month.

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



**Carmen G. Fahie**

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

[REDACTED]

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

[REDACTED]

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