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

RICK SNYDER
GOVERNOR

SHELLY EDGERTON
DIRECTOR

Date Mailed: September 28, 2016
MAHS Docket No.: 16-011823
Agency No.: ███████
Petitioner: ███████

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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. After due notice, telephone hearing was held on September 21, 2016, from Lansing, Michigan. The Petitioner represented himself and his sister, ███████, testified on his behalf. The Department was represented by ███████ (Eligibility Specialist) and ███████ (Family Independence Manager).

ISSUE

Did the Department of Health and Human Services (Department) properly deny Petitioner's request for Medical Assistance (MA) for June of 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. On July 9, 2016, the Department received Petitioner's request for retroactive Medical Assistance (MA) for June of 2016.

2. The Petitioner receives earned income in the gross amount of $███████ for the first quarter of 2016, and the gross amount of $███████ for the second quarter of 2016. Exhibit A, p 6.

3. On June 10, 2015, Petitioner received a paycheck with gross pay of $███████ Exhibit A, p 11.

4. On June 24, 2016, Petitioner received a paycheck with gross pay of ███████ Exhibit A, p 10.

5.   On August 11, 2016, the Department notified Petitioner that it had denied his request for retroactive Medical Assistance (MA) for June of 2016. Exhibit A, pp 3-5.

6.   On August 22, 2016, the Department received Petitioner's request for a hearing protesting the denial for Medical Assistance (MA) for June of 2016. Exhibit A, pp 1-2.

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.

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. Department of Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016), pp 3-4.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining 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 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5%

disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.[1]

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

On July 9, 2016, the Department received Petitioner's request for retroactive Medical Assistance (MA) for June of 2016. The Department did not dispute that Petitioner was potentially eligible for retroactive MA benefits in June of 2016, provided that he meets all other criteria for benefits, including the income limit.

Petitioner received gross earned income of $▉▉▉▉ in June of 2016, which was determined by totaling the two paychecks he received in that month. This gross income is 272% of the federal poverty level. Petitioner received gross earned income of $▉▉▉ in the second quarter of 2016, which was determined by referencing Petitioner's work history as reported by his employer to the Unemployment Insurance Agency (UIA). This gross income is 290% of the federal poverty level. Petitioner received gross earned income of $▉▉▉ in the first quarter of 2016, which was determined by referencing Petitioner's work history as reported by his employer to UIA. This gross income is 170% of the federal poverty level.

The Department has presented substantial evidence that Petitioner's countable MAGI income exceeds 133% of the federal poverty level and Petitioner failed to present any evidence of a different level of countable income. Therefore, Petitioner does not meet the income requirements to receive MA benefits in June of 2016.

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 retroactive Medical Assistance (MA) benefits under the Health Michigan Program (HMP) for June of 2016.
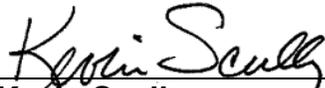
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[1] Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

DECISION AND ORDER

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

KS/las

Kevin Scully
Kevin Scully
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).
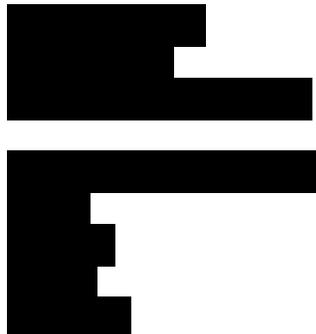
A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for 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

Petitioner