



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: November 30, 2016  
MAHS Docket No.: 16-014435  
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 November 2, 2016, from Lansing, Michigan. Petitioner and his spouse, [REDACTED], appeared and testified. The Department was represented by Eligibility Specialist [REDACTED] and Family Independence Manager [REDACTED]. Department's Exhibit A, pages 1-7 was admitted into evidence.

### **ISSUE**

Did the Department properly determine that [REDACTED] is not eligible for Medical Assistance (MA)?

### **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 August 29, 2016, Petitioner submitted an application for Medical Assistance (MA) benefits for his family. The family includes Petitioner's spouse, [REDACTED] and their 14 year old son. Petitioner also submitted verification of the household's assets.
2. On September 16, 2016, Petitioner was sent a Health Care Coverage Determination Notice (DHHS-1606) which stated [REDACTED] was not eligible for Medical Assistance (MA).
3. On September 23, 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 determined that [REDACTED] was not eligible for any Medical Assistance (MA) coverage. The Department determined that she was not eligible for the Healthy Michigan Plan (HMP), (which has no asset limit) because she could qualify for Medicaid under the Group Two Caretaker Relatives category. But the Department found [REDACTED] was not eligible for Medicaid under the Group Two Caretaker Relatives category because of assets in excess of the \$ [REDACTED] limit for the category.

Petitioner does not dispute that [REDACTED] has a 14 year old son nor that the household has assets in excess of \$ [REDACTED]. Petitioner argues that [REDACTED] is eligible for the Healthy Michigan Plan (HMP) because she does not qualify for coverage under the Group Two Caretaker Relatives category.

Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan (1-1-2016) provides:

### **Targeted Population**

The Healthy Michigan Plan (HMP) provides health care coverage for individuals who:

Are 19-64 years of age.

Do not qualify for or are not enrolled in Medicare.

Do not qualify for or are not enrolled in other Medicaid programs.

Are not pregnant at the time of application.

Meet Michigan residency requirements.

Meet Medicaid citizenship requirements.

Have income at or below 133% Federal Poverty Level (FPL).Cost Sharing.

## **Assets**

The Healthy Michigan Plan does not have an asset test.

On October 1, 2016, Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan was updated and now includes the following provision for HMP eligibility:

### **Credible Coverage**

Parents requesting health care coverage for themselves must provide proof that their children have credible coverage, even if not applying for the children.

The January 1, 2016 version of Bridges Eligibility Manual (BEM) 137 did not specify whether “qualification for another Medicaid program” meant categorical qualification only or required entire qualification, as in receiving coverage. The Department’s local office chose to interpret BEM 137 to mean that simply meeting categorical qualification for another program makes an applicant ineligible for HMP. The October 1, 2016 version of BEM 137 provided an obvious clarification by including the provision requiring credible health care coverage for children of parents requesting health care. The logical explanation for this added HMP eligibility requirement, is that parents with children are eligible for HMP. Therefore, the local office’s interpretation of BEM 137 does not comply with the intention of Department policy.

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 that [REDACTED] is not eligible for Medical Assistance (MA).

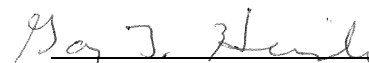
### **DECISION AND ORDER**

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:

1. Reinstate Petitioner’s August 29, 2016 application and reprocess it in accordance with Department policy to include issuing a current Health Care Coverage Determination Notice (DHHS-1606).

GH/nr



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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]