



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 14, 2016
MAHS Docket No.: 16-014691
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 was represented by herself. The Department was represented by Hearing Facilitator [REDACTED]. Testimony was received from all participants. Department's Exhibit A, pages 1-32 was admitted into evidence.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) beginning October 1, 2016?

Did the Department properly close Petitioner's Medical Assistance (MA) beginning October 1, 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. Petitioner was an ongoing recipient of Medical Assistance (MA) and Food Assistance Program (FAP) benefits.
2. On September 6, 2016, Petitioner submitted an online Redetermination (DHS-1010). On the Redetermination (DHS-1010) Petitioner reported she had begun employment with a salary of \$ [REDACTED] per week and a pay check stub as verification.

3. On September 7, 2016, Petitioner was sent a Notice of Case Action (DHHS-1605) which stated her Food Assistance Program (FAP) would close on October 1, 2016 due to excess income. In accordance with Bridges Eligibility Manual (BEM) 505 Prospective Budgeting/Income Change Processing, Petitioner's gross income for Food Assistance Program (FAP) eligibility was calculated as \$ [REDACTED] per month. In accordance with Reference Table 250 FAP Income Limits, Petitioner's monthly gross income limit was \$ [REDACTED].
4. On September 7, 2016, Petitioner was sent a Health Care Coverage Determination Notice (DHHS-1606) which stated she was not eligible for Medical Assistance (MA) from October 1, 2016 ongoing because her countable income exceeds income limit for her group size. The notice did not specify what dollar value was used as Petitioner's annual MAGI income to make the eligibility determination.
5. On September 29, 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).

Food Assistance Program (FAP)

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Petitioner reported starting employment with a weekly salary of \$ [REDACTED] and submitted a single check stub for that amount as verification. In accordance with Bridges Eligibility Manual (BEM) 505 Prospective Budgeting/Income Change Processing, Petitioner's standard monthly gross income amount for Food Assistance Program (FAP) eligibility was calculated as $(\$ [REDACTED] \times [REDACTED]) = \$ [REDACTED]$. In accordance with Reference Table 250 FAP Income Limits, Petitioner's monthly gross income limit was \$ [REDACTED].

Medical Assistance (MA)

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.

Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan (HMP) states that eligibility is based on Modified Adjusted Gross Income (MAGI) methodology. The Department's MAGI Manual, in Chapter 7, states:

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.

In this case, Petitioner was an ongoing recipient of Medical Assistance (MA) under the Healthy Michigan Plan. The Health Care Coverage Determination Notice (DHHS-1606) issued to Petitioner, did not specify what dollar value was used as Petitioner's annual MAGI income to make the eligibility determination. The notice does state that the MAGI income limit for a household size of one between the ages of 19-64 is \$ [REDACTED]. The Department did submit a BRIDGES Employment Budget Summary which shows that Petitioner's MA budget amount for September and October 2016 was determined to be \$ [REDACTED]. That would be Petitioner's gross monthly income of four weeks at \$ [REDACTED] per week. It is true that a calculation of Petitioner's gross annual income ($\$ [REDACTED] \times [REDACTED] = \$ [REDACTED]$) would exceed the MAGI income limit of \$ [REDACTED]. However, the Department has not presented any evidence of a MAGI annual income being calculated or determined

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 closed Petitioner's Food Assistance Program (FAP) beginning October 1, 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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's Medical Assistance (MA) beginning October 1, 2016.


DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the Food Assistance Program (FAP) action.

Accordingly, the Department's decision is **REVERSED IN PART** with respect to the Medical Assistance (MA) action.

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 Medical Assistance (MA) and determine her eligibility from October 1, 2016 ongoing in accordance with MAGI methodology in accordance with Department policy.



Gary J. Heisler

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]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]