



RICK SNYDER
GOVERNOR

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

MIKE ZIMMER
DIRECTOR

[REDACTED]

Date Mailed: April 5, 2016
MAHS Docket No.: 16-000604
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab 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 March 10, 2016, from Detroit, Michigan. The Petitioner represented himself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) case under the Healthy Michigan Plan (HMP) on the basis that his income exceeded the limit?

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 MA benefits under the HMP.
2. Petitioner is employed and does not have any minor children.
3. In connection with a redetermination, Petitioner's eligibility to receive MA was reviewed. (Exhibit A)
4. Petitioner reported on his redetermination that his total annual income this year was \$ [REDACTED] (Exhibit A)

5. Petitioner provided the Department with a Register QuickReport from [REDACTED] [REDACTED] which shows the amount he is paid and the pay dates. Included is a handwritten note from Petitioner that states "this is a report from where I work." (Exhibit C)
6. On December 29, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) informing him that based on the information provided with his redetermination, effective February 1, 2016, he was ineligible for HMP benefits because his income exceeded the limit. The Notice further informs Petitioner that he is also ineligible for other MA categories. (Exhibit B)
7. On January 11, 2016, Petitioner submitted a hearing request 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) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (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 HMP coverage. BEM 105 (October 2014), p. 1; MPM, Healthy Michigan Plan, § 1.1.

At the hearing, the Department explained that Petitioner had been receiving MA under the HMP. HMP 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. MPM, Healthy Michigan Plan, § 1.1.

The Department stated that when it processed Petitioner's redetermination using the self-attested income information reported and the additional income verification provided by Petitioner, Petitioner was no longer income-eligible for HMP. The Department stated that prior to closing Petitioner's MA case, it completed an ex-parte review and determined that he was also ineligible for any other MA program. Petitioner confirmed that he does not have minor children and there was no evidence that he was eligible for a SSI related MA category. The Department notified Petitioner of the case closure by sending a Health Care Coverage Determination Notice dated December 29, 2015. (Exhibit B).

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 did not have any dependents and files taxes individually, thus his MA group size is one. (Exhibit A; Exhibit 1). 133% of the annual FPL in 2015 for a household with one member is \$15654.10. <http://aspe.hhs.gov/POVERTY/15poverty.cfm>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$15654.10.

In connection with Petitioner's redetermination, Petitioner provided the Department with a report leger verifying his income from [REDACTED] (Exhibit C). In determining an individual's eligibility for MAGI-related MA (which includes HMP), 42 CFR 435.603(h)(2) provides that "for individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods . . . , a State may elect in its State plan to base financial eligibility either on current monthly household income . . . or income based on projected annual household income . . . for the remainder of the current calendar year." Petitioner reported on his redetermination that his total income for this year was [REDACTED] and submitted a leger showing that he was paid a gross total of [REDACTED] for the period of January 1, 2015 through November 12, 2015. (Exhibit C). The Department determined that based on the verified income, Petitioner's annual income of [REDACTED] was greater than the [REDACTED] income limit for HMP eligibility.

At the hearing, Petitioner disputed the income amounts relied on by the Department and asserted that he is self-employed. See BEM 502 (October 2015). Petitioner stated that he works as an independent contractor and that Mica-Tec is one of the companies from which he earns income. Petitioner testified that he brings his own tools to work and uses his own vehicle. Petitioner stated that after paying employees and other business expenses, he only makes about [REDACTED] per year. Petitioner presented his 2015 Schedule C Form 1040 Profit or Loss from Business, which indicates that Petitioner's business is home improvement and that he operates a sole proprietorship. (Exhibit 1). The Department maintained that it was not aware that Petitioner was self-employed and receiving income from other sources in addition to [REDACTED] until the day of the hearing. The Department stated that when Petitioner initially submitted an application for MA, it made a collateral contact with [REDACTED] and was informed that Petitioner was an employee of the company.

Based on the evidence presented at the hearing, it is determined that the Department used the best available evidence and relied on the information that Petitioner reported on and submitted with his redetermination. Petitioner did not report other income sources on the redetermination and did not report that he was self-employed. Therefore, 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 MA case. Petitioner was informed that he was entitled to submit a new application for MA and have his eligibility determined.

DECISION AND ORDER

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

ZB/tm



Zainab 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]

cc:

[REDACTED]