



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR



Date Mailed: May 23, 2016  
MAHS Docket No.: 16-001598  
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 April 19, 2016, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Eligibility Specialist [REDACTED]. Testimony was received from all participants. Department's Exhibit A, pages 1 – 23 was admitted into evidence.

### **ISSUE**

Did the Department properly deny Petitioner's January 11, 2016 Medical Assistance (MA) application?

### **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 January 11, 2016, Petitioner submitted an application for Medical Assistance benefits.
2. On January 27, 2016, Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606) which stated: Petitioner had an annual income of \$ [REDACTED]. Petitioner's spouse had an annual income of \$ [REDACTED]. The income limit for a household member between the age of 19 – 64 in a household of 2, is \$ [REDACTED] and neither Petitioner nor her spouse are eligible due to excess income.
3. On February 2, 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.

The Department has the initial burden of going forward with evidence to show that their eligibility determination is correct. In this case the Department obtained verifications of current earned income for both Petitioner and her spouse, entered the date into the BRIDGES computer program and BRIDGES issued a Health Care Coverage Determination Notice (DHS-1606) stating neither Petitioner nor her spouse were eligible.

Income eligibility for the Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan (1/1/2016) In accordance with the Modified Adjusted Gross Income Related Eligibility Manual (May 28, 2014):

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.

Modified Adjusted Gross Income Related Eligibility Manual (May 28, 2014), page 36, under Section 13.5 Conduct of Hearing, Admission of Evidence states:

Federal tax information (FTI) is safeguarded from disclosure by federal Internal Revenue Service rules. An affidavit by the eligibility specialist, attesting to the MAGI database determination of ineligibility, is sufficient to establish that ineligibility was based on the individual's MAGI. The individual's specific federal tax information (FTI) need not be presented as evidence during the hearing. FTI is not required at hearings for Medicaid ineligibility based on reasons other than MAGI.

The Department was asked how they were able to calculate Petitioner's MAGI from current earned income verifications. The Department provided no explanation of how the income amount used to deny the application was calculated.

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 denied Petitioner's January 11, 2016 Medical Assistance (MA) application.

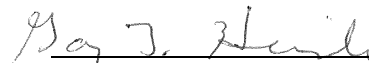
### **DECISION AND ORDER**

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:

Reregister Petitioner's January 11, 2016 Medical Assistance (MA) application. Process in accordance with Department policy and issue a current Health Care Coverage Determination Notice (DHS-1606) providing required notice of the re-determined Medical Assistance (MA) eligibility determination.

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]