



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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Date Mailed: May 20, 2016  
MAHS Docket No.: 16-004717  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**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 May 16, 2016, from Detroit, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by ██████████, Eligibility Specialist.

**ISSUE**

Did the Department properly deny Petitioner's application for Medicaid (MA) benefits for October 2015?

**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 November 11, 2015, Petitioner applied for MA benefits.
2. Petitioner was approved for MA coverage under the Healthy Michigan Plan (HMP) program.
3. In January 2016, Petitioner requested retroactive MA coverage for October 2015.
4. On March 28, 2016, the Department sent Petitioner a Health Care Coverage Determination Notice denying his MA application for October 2015 (Exhibit 1).

5. On April 1, 2016, the Department received Petitioner's request for hearing disputing the denial of MA benefits for October 2015.

### **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.

Petitioner requested a hearing solely to dispute the Department's denial of his MA application for October 2015. The Department testified at the hearing that it processed Petitioner's application for MA coverage for October 2015 and denied it because Petitioner was ineligible for HMP. HMP is a Modified Adjusted Gross Income (MAGI)-related MA category that 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 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. BEM 137 (January 2016), p. 1.

In this case, Petitioner acknowledged that he was a Medicare recipient since at least 2011. Because he was receiving Medicare at the time of the requested MA coverage for October 2015, he was not eligible for HMP coverage that month. Therefore, the Department properly denied Petitioner MA coverage under HMP.

However, clients are eligible for the most beneficial category, which is the one that results in eligibility, the least amount of excess income, or the lowest cost share. BEM 105, p. 2. All of a client's MA category options must be considered in order for the client's right of choice to be meaningful. BEM 105, p. 2.

Individuals who are disabled are eligible for MA under SSI-related categories. BEM 105 (October 2016), pp. 1, 4-5. The March 28, 2016 Health Care Coverage Determination Notice indicates that the Department denied Petitioner's application under categories for the aged, blind, and disabled because he was not blind or disabled. However,

Petitioner testified that he alleged in his application that he was disabled, and the Department acknowledged at the hearing that Petitioner alleged a disability. The Department did not present any evidence showing that it processed Petitioner's application to determine his eligibility for MA under SSI-related categories or any evidence supporting a conclusion that Petitioner was not disabled. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy in processing Petitioner's application for MA coverage for October 2015.

By failing to evaluate Petitioner's eligibility for MA coverage under SSI-related categories, 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 did not act in accordance with Department policy when it denied Petitioner MA coverage for October 2015.

### **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. Reprocess Petitioner's MA eligibility for October 2015;
2. Provide Petitioner with MA coverage he is eligible to receive for October 2015; and
3. Notify Petitioner in writing of its decision.

ACE/tlf



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**Alice C. Elkin**  
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

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