



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: September 26, 2016
MAHS Docket No.: 16-010816
[REDACTED]
[REDACTED]

ADMINISTRATIVE LAW JUDGE: Vicki Armstrong

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 - 273.18; 42 CFR 431.200 - 431.250; 45 CFR 99.1 - 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on September 8, 2016, from Lansing, Michigan. Petitioner personally appeared and testified. Petitioner submitted three exhibits which were admitted into evidence.

The Department of Health and Human Services (Department) was represented by Hearing Facilitator [REDACTED] testified on behalf of the Department. The Department submitted [REDACTED] exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

ISSUE

Did the Department properly deny Petitioner's Redetermination for Medicaid under the Healthy Michigan Plan (HMP)?

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 receiving Medicaid at all times applicable to this hearing.

2. On July 19, 2016, the Department issued Petitioner a Health Care Coverage Determination Notice informing him that he would no longer be eligible for Medicaid beginning September 1, 2016. [Dept. Exh. 4-7].
3. On July 28, 2016, the Department received Petitioner's Request for Hearing. [Dept. Exh. 1-2].

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 (Medicaid) 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 Medicaid program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Medicaid 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 Healthy Michigan Plan (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 plan. HMP provides Medicaid 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 Medicaid 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.

Petitioner contends that 42 CFR 435.603 controls in this case. However, looking at the Notice of Case Action, the Department relied on 42 CFR 435.119 to deny Petitioner benefits. Pursuant to 42 CFR 435.119(b)(5), the agency must provide Medicaid to individuals who have household income that is at or below 133 percent of the Federal Poverty Level (FPL) for the applicable family size. In other words, Medicaid coverage will be denied if the countable income exceeds the income limit for the group size. (Dept. Exh. 5).

The Department explained that when it processed Petitioner's redetermination using updated employment income, Petitioner was no longer income-eligible for HMP. 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 lived alone.

Therefore, for MAGI purposes, Petitioner has a household size of one. MREM, § 5.2. 133% of the annual Federal Poverty Level (FPL) in 2016 for a household with one member is \$13,600.00. [Dept. Exh. 22]. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed [REDACTED]

In connection with Petitioner's redetermination, the Department verified his monthly income. In determining an individual's eligibility for MAGI-related Medicaid (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 submitted paystubs from his employer, [REDACTED] [REDACTED] [REDACTED]. Petitioner earned [REDACTED] an hour and was paid bi-weekly with variable hours. Averaging the two paystubs of 79.5 hours plus 3 hours of overtime and 72.25 hours plus 1.75 hours of overtime equals approximately 75.85 hours every two weeks plus 2.375 hours of overtime. $(79.5 + 72.25 = 151.75/2 = 75.85 \text{ hours} + 3 + 1.75 \text{ of overtime} = 4.75/2 = 2.375 \text{ hours of overtime})$.

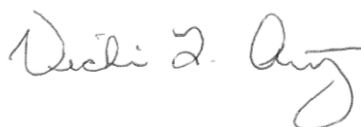
Therefore, 75.85 hours at [REDACTED] an hour equals [REDACTED] a pay period for 26 pay periods for a total of [REDACTED] a year. 2.375 hours of overtime at [REDACTED] an hour is [REDACTED] times 26 pay periods is a total of [REDACTED]. Adding the regular hours of [REDACTED] plus the overtime of [REDACTED], Petitioner earns [REDACTED] a year.

Petitioner's annual income of [REDACTED] a year is greater than the [REDACTED] income limit for HMP eligibility. Therefore, the Department properly closed Petitioner's MA case under the HMP program.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with Department policy when it closed Petitioner's MA case.

DECISION AND ORDER

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



Vicki Armstrong
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

