



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 18, 2016
MAHS Docket No.: 16-013629
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 October 24, 2016, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED] Petitioner's sister, translated and testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED] specialist.

ISSUE

The issue is whether MDHHS properly denied Petitioner's Medical Assistance (MA) application due to excess income.

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 [REDACTED], Petitioner applied for MA benefits.
2. Petitioner was part of a household which included minor children.
3. Petitioner's household has unspecified income.
4. On [REDACTED], MDHHS denied Petitioner for MA benefits due to excess income.
5. On [REDACTED], Petitioner requested a hearing to dispute the denial of MA benefits.

CONCLUSIONS OF LAW

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT). MAGI policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGIM).

Petitioner's hearing request listed an authorized hearing representative (AHR). The AHR did not appear for the hearing. During the hearing, Petitioner waived her right to representation and the hearing was conducted accordingly.

Petitioner's hearing request clearly stated a dispute of MA eligibility. Neither the hearing request, Petitioner's testimony, nor the case history were clear in what MDHHS action was being disputed.

Petitioner's hearing request summarized various medical problems alleged by Petitioner. Petitioner's medical history is not relevant unless a claim of disability was alleged; that did not seem to be the case.

Petitioner testimony simply indicated a desire to have medical coverage. Petitioner testified she had medical coverage at some recent past time, however, it was not clear when. Petitioner testified she reapplied for MA coverage multiple times, but MDHHS had not yet approved any of her applications.

In its case summary, MDHHS indicated that "Medicaid program" for Petitioner was reinstated. It was not clear if this was intended to be a reinstatement of an application or of ongoing benefits. If MDHHS had reinstated Petitioner's MA eligibility, there would be no need for a hearing. It can be concluded that MDHHS had not yet issued MA coverage to Petitioner, as the reinstatement was conceded by MDHHS to be conditional upon a return of verifications from Petitioner.

MDHHS provided a Health Care Coverage Determination Notice (Exhibit 1, pp. 1-4) dated [REDACTED]. Based on MDHHS testimony of previously-issued case notices, this was the one closest in time to Petitioner's hearing request date. MDHHS testimony indicated the application closest in time before [REDACTED], was dated [REDACTED] [REDACTED] presumably, the denial notice concerned this application.

Based on the proximity in time between the written notice and Petitioner's hearing request, it is found that Petitioner intended to dispute a denial MA benefits from an application dated [REDACTED]. The analysis will proceed to determine if MDHHS properly denied Petitioner's application.

Medicaid is also known as Medical Assistance (MA). BEM 105 (January 2016), p. 1. The Medicaid program comprise several sub-programs or categories. *Id.* To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Petitioner testified she was the caretaker of minor children. As a caretaker to minor children, Petitioner is potentially eligible for MA based on MAGI methodology.

The presented notice of application denial stated Petitioner was denied MA based on caretaker status and HMP due to excess income. MDHHS testimony confirmed that excess income was the basis for denying Petitioner's application dated [REDACTED].

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. BEM 500 (July 2015), p. 3. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information. *Id.*

Financial eligibility for Medicaid for applicants, and other individuals not receiving Medicaid benefits at the point at which eligibility for Medicaid is being determined, must be based on current monthly household income and family size. 42 CFR 435.603 (h)(1). MDHHS and federal regulations provide no known directives on how "current monthly income" is to be calculated.

MDHHS testimony alleged Petitioner's group's income exceeded [REDACTED]. Petitioner testified her annual household income was at least [REDACTED] smaller. Neither MDHHS nor Petitioner provided documentary evidence to support the testimony.

The absence of income documentation renders it impossible to determine if Petitioner's income was correctly calculated by MDHHS, and accordingly, whether Petitioner's MA application was properly denied. MDHHS has the burden to establish a proper application denial. Due to the lack of evidence justifying denial, MDHHS will be ordered to reinstate Petitioner's application and to redetermine Petitioner's MA eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's MA application. It is ordered that

MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

(1) Reinstate Petitioner's MA application dated [REDACTED] and

(2) Determine Petitioner's MA eligibility in accordance with MDHHS policy.

The actions taken by MDHHS are **REVERSED**.

CG/hw



Christian Gardocki

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]

Petitioner

[REDACTED]

Authorized Hearing Rep.

[REDACTED]