



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: November 21, 2016
MAHS Docket No.: 16-015314
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Susanne E. Harris

HEARING DECISION

Following the 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 November 16, 2016, from Lansing, Michigan. The Petitioner, [REDACTED], was represented by her husband and attorney, [REDACTED]. The Department of Health and Human Services (Department) was represented by Assistance Payments Supervisor, [REDACTED] and Eligibility Specialist, [REDACTED].

PROCEDURAL HISTORY

The record closed at the conclusion of the hearing. The following exhibits were offered and admitted into evidence:

Department: A--August 31, 2016, Health Care Coverage Determination Notice.
B--Employment Budget Summary.
C--The Petitioner's paste check stubs.
D--Employment Budget Summary.
E--The Petitioner's 2015 schedule C-EZ.
F--2014 Federal Poverty Level Charts.
G--Verification of the Petitioner's prescription expenses.

Petitioner: None.

ISSUE

Did the Department properly take action to reduce the Petitioner's Medical Assistance (MA) by imposing a deductible in the amount of \$ [REDACTED]

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner was an ongoing recipient of full MA.
2. At some point in time, the Petitioner's eligibility for MA was redetermined. The Department considered that the Petitioner has \$ [REDACTED] earned income per month and that the Petitioner's husband has self-employment income in the amount of \$ [REDACTED] per month.
3. On August 31, 2016, the Department sent the Petitioner a Health Care Coverage Determination Notice informing the Petitioner that she and her husband were eligible for MA with a monthly deductible of \$ [REDACTED]
4. On October 14, 2016, the Department received the Petitioner's written hearing request protesting the Department's eligibility determination.

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.

Additionally, Bridges Eligibility Manual (BEM) 137 (2016) p. 1, provides, the Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology.

The Healthy Michigan Plan provides health care coverage for a category of eligibility authorized under the Patient Protection and Affordable Care Act and Michigan Public Act 107 of 2013 effective April 1, 2014.

The Healthy Michigan Plan (HMP) provides health care coverage for individuals who:

- Are 19-64 years of age
- Do not qualify for or are not enrolled in Medicare

- Do not qualify for or are not enrolled in other Medicaid programs
- Are not pregnant at the time of application
- Meet Michigan residency requirements
- Meet Medicaid citizenship requirements
- Have income at or below 133 percent Federal Poverty Level (FPL).

In this case, the Petitioners were protesting that they had full MA benefits under the HMP before the redetermination but now they are subject to a monthly deductible of \$ [REDACTED]. A close review of the record shows that the Petitioner's husband was not afforded a 25% standard deduction for being self-employed. The Department personnel present at the hearing argued otherwise; however, Department's exhibits D and E clearly established that the Petitioner's husband's gross receipts were considered when calculating his income. Therefore, at least as regards a portion of income, the modified adjusted gross income was not considered as the policy requires for HMP. Also, though information was considered from the Petitioner's 2015 schedule C-EZ, the Department based their eligibility determination on a 2014 Federal Poverty Level chart.

Regarding the determination of the deductible and the propriety of the amount of the deductible, there are no MA budgets in evidence. A review of the record establishes that the Petitioner's husband's income was not properly calculated. As such, this Administrative Law Judge concludes that the evidence is insufficient to establish the Department was acting in accordance with Department policy when taking action to reduce the Petitioner's MA benefits by imposing a monthly deductible in the amount of \$ [REDACTED].

DECISION AND ORDER

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 took action to reduce the Petitioner's MA benefits by imposing a monthly deductible in the amount of \$ [REDACTED].

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, INCLUDING ISSUING A NEW ELIGIBILITY DETERMINATION NOTICE, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine the Petitioner's eligibility for MA back to October 1, 2016, and

2. Issue the Petitioner any supplement she may thereafter be due.



SH/nr

Susanne E. Harris
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]

Counsel for Petitioner

[REDACTED]

Petitioner

[REDACTED]