



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: March 1, 2017
MAHS Docket No.: 16-018927
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 [REDACTED], [REDACTED], from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED] hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's eligibility for Medical Assistance (MA) benefits.

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 an ongoing HMP recipient.
2. Petitioner was a member of a household that included 2 minor children.
3. In [REDACTED], Petitioner's minor children each received [REDACTED] in RSDI benefits.
4. In [REDACTED], Petitioner had monthly employment income of \$ [REDACTED].
5. On [REDACTED], MDHHS determined Petitioner was eligible for Medicaid, subject to a \$ [REDACTED] deductible, effective [REDACTED].

6. On [REDACTED], Petitioner requested a hearing to dispute the MA determination.

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).

Petitioner requested a hearing to dispute a determination of MA benefits for herself. MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 1-4) dated [REDACTED]. The notice determined Petitioner to be eligible for Medicaid subject to a \$ [REDACTED] deductible.

Medicaid is also known as Medical Assistance (MA). BEM 105 (January 2016), p. 1. The Medicaid program comprise [sic] 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.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

It was not disputed that Petitioner was a caretaker to minor children. As a caretaker to minor children, Petitioner is potentially eligible for Medicaid through Low-Income-Family (LIF) and Group 2-caretaker (G2C). Petitioner is potentially also eligible for Medicaid through HMP.

Adults with a dependent child and income under 54% of the Federal Poverty Level will be considered LIF eligible. BEM 110 (January 2014), p. 1. The 2016 FPL for a 3-person household is \$ [REDACTED]. The corresponding LIF income limit is [REDACTED].

MDHHS testimony indicated Petitioner's income was calculated based on 4 weekly pays from [REDACTED]. Petitioner's pay dates and gross amounts were as follows

████ on █████, █████, █████, and █████.

For purposes of MAGI eligibility, adding Petitioner's pays results in a monthly income of █████. Multiplying Petitioner's monthly income by 12 months results in an annual income of █████. Not factoring any other income results in Petitioner being far above the LIF income limit. MDHHS properly determined Petitioner to be ineligible for Medicaid through LIF.

Petitioner is potentially eligible for a deductible through Group 2- Caretaker (G2C). Group 2 Medicaid categories allow Medicaid subject to monthly deductibles.

Income eligibility [for G2C] exists when net income does not exceed the Group 2 needs in BEM 544. BEM 135 (October 2015), p. 2. [MDHHS is to] apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. *Id.*

The G2C net income calculation starts with determining Petitioner's pro-rated income. Petitioner is entitled to a standard \$90 deduction for employment income. Additional deductions are given to clients who receive Family Independence Program (FIP) or LIF in any of the 4 months preceding the determination; MDHHS testimony indicated Petitioner was not a recipient of either LIF or FIP during 2016.

Additional deductions are given for dependent care (████ per child). MDHHS issued only a deduction for one of Petitioner's children, though evidence did not suggest this was improper. Based on presented evidence, the single █████ deduction is found to be proper. Petitioner's countable net income, for purposes of G2C eligibility, is █████.

Prorated share of income is calculated by dividing Petitioner's countable net income (████) by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and the number of dependents (2 dependents). Petitioner's pro-rated income is █████ (dropping cents).

Petitioner's pro-rated income is multiplied by 2.9 to determine the adult's share of the adult's own income; this amount is found to be █████ (dropping cents). Other calculations for married persons are not applicable to Petitioner.

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. Petitioner did not allege any such expenses. The income limit for G2C eligibility is █████ (see RFT 240 (████), p. 1). The amount that Petitioner's net income exceeds the income limit is the amount of deductible. Petitioner's deductible is calculated to be █████, the same amount as calculated by MDHHS (see Exhibit 1, p. 5).

Before the MDHHS determination can be affirmed, one final MA category must be examined. Petitioner is also potentially eligible for Medicaid through HMP.

HMP is a health care program administered by the Michigan Department of Community Health, Medical Services Administration. The program is authorized under the Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGIM).

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. To be income-eligible for HMP benefits, Petitioner's group's income would have to fall at or below \$ [REDACTED]/year.

An HMP determination differs from the above analysis, in part, due to a difference in group size calculation. [For purposes of MAGI-related eligibility,] the household for a tax filer who is not claimed as a tax dependent, consists of:

- Individual
- Individual's spouse
- Tax dependents

MAGIM [REDACTED], p. 12.

Thus, Petitioner's children (and their income) are factored in the HMP determination. It was not disputed that each of Petitioner's children received \$ [REDACTED]/month in RSDI benefits. Multiplying Petitioner's children's monthly income ([REDACTED]) by 12 months results in a total annual income of [REDACTED]

Adding Petitioner's annual income ([REDACTED]) and her children's annual income results in a total household income of [REDACTED]. Petitioner's group's income slightly exceeds the HMP income limit.

Consideration was given to applying a 5% disregard (see *Id.*, p. 15) to the group's income. Application of the disregard is apt for certain circumstances.

If Petitioner's group were credited with a 5% deduction, Petitioner's group's income would be [REDACTED], still just slightly above the income limit for HMP. It is found MDHHS properly denied Petitioner's HMP eligibility due to excess income.

Petitioner testimony expressed a need for medical coverage superior to the deductible issued by MDHHS. Petitioner is encouraged to reapply for MA benefits at any point when her monthly employment income may be slightly lower.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for Medicaid subject to a \$ [REDACTED] deductible. The actions taken by MDHHS are **AFFIRMED**.

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]
[REDACTED]

[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]