



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: June 13, 2017
MAHS Docket No.: 17-005879
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 June 8, 2017, from Lansing, Michigan. Petitioner appeared and represented herself. [REDACTED] (Eligibility Specialist/Backup Hearing Facilitator) appeared on behalf of the Department of Health and Human Services (Department).

The Department offered the following exhibits which were marked and admitted into evidence: [Department's Exhibit 1: Hearing Summary, Hearing Summary Narrative, Pre-Hearing Conference Letter, Request for Hearing, Verification from [REDACTED] [REDACTED] Health Care Coverage Determination Notice, New Hire Client Notice, Redetermination Telephone Interview, Redetermination and Income Verifications from WebCenter Timecards.].

Petitioner did not offer any exhibits into evidence.

The record closed at the conclusion of the hearing.

ISSUES

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefits?

Did the Department properly close Petitioner's health care benefits under the Healthy Michigan Plan (HMP) 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. Petitioner was active for FAP with a monthly allotment of \$ [REDACTED] with a group size of 1. Petitioner was also active for HMP benefits. Petitioner did not have any income at the time. [Nemec Hearing Testimony].
2. After the Department learned that Petitioner had started a new job at [REDACTED] [REDACTED] through [REDACTED], the Department mailed Petitioner a New Hire Client Notice (DHS-4635) on March 20, 2017. [Department's Exhibit 1, pp. 10-11 & Request for Hearing].
3. Petitioner's FAP case was scheduled for redetermination in April 2017. [Dept. Exh. 1, p. 12].
4. On April 4, 2017, the Department mailed Petitioner a Redetermination form, which requested that she complete the form on May 1, 2017, which is also the date of her telephone interview. [Dept. Exh. 1, pp. 13-20].
5. The Department received Petitioner's completed New Hire Client Notice form on or about April 4, 2017. The notice indicated that Petitioner started working on February 17, 2017, worked 40 hours per week, earned \$ [REDACTED] per hour, and is paid weekly. [Dept. Exh. 1, pp. 10-11].
6. Petitioner received the following amounts in weekly gross income from her employment from February 19, 2017, through April 9, 2017: \$ [REDACTED] \$ [REDACTED] \$ [REDACTED] \$ [REDACTED] \$ [REDACTED] and \$ [REDACTED] [Dept. Exh. 1, p. 21].
7. On April 18, 2017, the Department mailed Petitioner a Health Care Coverage Determination Notice (DHS-1606), which indicated that Petitioner is no longer eligible for health care coverage due to exceeding the income limit. According to the notice, based on Petitioner's age group (19-64) and household size (1), the income limit was \$ [REDACTED] and Petitioner's annual income was \$ [REDACTED] [Dept. Exh. 1, pp. 6-8].
8. Petitioner requested a hearing concerning FAP and HMP on April 28, 2017. [Dept. Exh. 1, p. 4].

CONCLUSIONS OF LAW

Petitioner requested a hearing concerning two programs: the Food Assistance Program and the Healthy Michigan Plan. Both programs will be discussed below.

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).

Food Assistance Program

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

The administrative rules provide that an opportunity for a hearing shall be granted to an applicant who requests a hearing because his or her claim for assistance is denied or is not acted upon with reasonable promptness, has received notice of suspension or reduction in benefits, or exclusion from a service program, or has experienced a failure of the agency to take into account the recipient's choice of service. See Mich Admin Code R 792.11002. [Emphasis added].

In the instant matter, Petitioner requested a hearing concerning her FAP benefits on April 28, 2017. However, at that time Petitioner had not received a notice of suspension or reduction in benefits. In fact, the Department had not taken any negative action affecting her FAP benefits at the time. Petitioner's case was currently being reviewed during the redetermination process, but the Department had not taken any action affecting her existing FAP benefits.

Medical Assistance-Healthy Michigan Plan

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.

The Healthy Michigan Plan (HMP) provides health care coverage for a category of eligibility authorized under the Patient Protection and Affordable Care Act 1902(a)(10)(A)(i)(VIII) of the Social Security Act and Michigan Public Act 107 of 2013 effective April 1, 2014. BEM 137 (1-1-2016), p. 1.

The Healthy Michigan Plan 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% Federal Poverty Level (FPL).Cost Sharing.

BEM 137, p. 1.

HMP eligibility is determined through a Modified Adjusted Gross Income (MAGI) methodology, which includes an evaluation of the applicant's income. (MAGI) Eligibility Manual (MEM) 1.1(May 28, 2014).

In order to be eligible for HMP, the individual must be aged 19 or older and under age 65 and have income limits at or below 133 percent of the federal poverty limit. See 42 CFR § 435.119 (b). The Health Care Coverage Determination Notice also provides a chart of the annual income limits for HMP. BEM 137, p. 2.

Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. BEM 500, p. 4.

The following are common sources of income which are countable in a MAGI related determination: wages/salary, self-employment, RSDI, pensions, unemployment benefits and spousal support. MEM 7.1, p. 14.

There is a 5% disregard under the MEM. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5% disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid. MEM 7.2, p. 17. For a group size of 1 for an individual between the age of 19 and 64, the annual income limit is \$ [REDACTED]. [Dept. Exh. 1, pp.6-8].

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. Petitioner indicates in her request for hearing that she only works 35 hours a week because the lunch hour does not count. However, Petitioner is not credible as she clearly indicated on the New Hire Client Notice that she worked (and

was paid) 40 hours per week. [Dept. Exh. 1, p. 11]. The Department determined that Petitioner was not eligible for HMP because her annual MAGI income exceeded the \$ [REDACTED] limit for this program. The record shows that Petitioner's gross income for the month of March 2017 was \$ [REDACTED]. This was based on verification of Petitioner's weekly earned income for this month, which was \$ [REDACTED] (March 5, 2017) + \$ [REDACTED] (March 12, 2017) + \$ [REDACTED] (March 19, 2017) + \$ [REDACTED] (March 26, 2017) x 12 months projected annually is \$ [REDACTED] [Dept. Exh. 1, p. 21].

The Department calculated Petitioner's annual MAGI income based upon Petitioner's MAGI household group size and the number of dependents in Petitioner's household. Here, Petitioner has a MAGI household group size of 1. Although the Department was unable to support in the record how it calculated the \$ [REDACTED] annual income indicated on the health care coverage determination notice, Petitioner's income based on March 2017, was well in excess of the \$ [REDACTED] limit under MAGI. Accordingly, Petitioner's annual MAGI income of \$ [REDACTED] at the time this application was processed, exceeded the \$ [REDACTED] income limit for HMP. There was no evidence in the record that Petitioner met the eligibility criteria for any other MA category.

Based on the material, competent, and substantial evidence on the whole record, this Administrative Law Judge finds that the Department properly determined Petitioner's eligibility for MA benefits for HMP based on the available income information.

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 acted in accordance with Department policy.

DECISION AND ORDER

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

IT IS SO ORDERED.

CAP/mc



C. Adam Purnell
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]

Petitioner

[REDACTED]