



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: July 21, 2017

MAHS Docket No.: [REDACTED]

17-004776

Agency No.: [REDACTED]

Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**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; 42 CFR 438.400 to 438.424; 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], from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

**ISSUE**

Did the Department properly deny the Petitioner's Medical Assistance for Health 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. The Petitioner completed a redetermination for [REDACTED]. The Department reviewed the quarterly consolidated inquiry statements to determine annual income for purposes of determining HMP eligibility. Exhibits D and E
2. The Petitioner's hearing request indicates that based upon her tax information her annual income for [REDACTED] was [REDACTED] but the Department used [REDACTED]
3. The Annual HMP limit for a household group size of one for [REDACTED] was [REDACTED] Exhibit A, p.19. Effective [REDACTED] the annual income HMP limit for a household size of one is [REDACTED]. Exhibit A, p. 21

4. The Department issued a Health Care Coverage Determination Notice on [REDACTED] [REDACTED] advising the Petitioner that effective [REDACTED], she was no longer eligible for the HMP medical assistance due to excess income. The Department used annual income of [REDACTED] as Petitioner's income. Exhibit B, p. 28
5. The Petitioner completed a redetermination on [REDACTED], and listed her total income for the year to be [REDACTED] and that as a substitute teacher her income fluctuated. Exhibit B, p. 6. The income listed on the redetermination by the Bridges system before deductions was [REDACTED] monthly. Exhibit B, p. 6
6. The Petitioner did not list her student loan interest when completing her redetermination (Section 6) thus, the Department did not include the student loan interest deduction. Exhibit C, p. 4
7. The Health Care Notice dated [REDACTED] is incorrect as regards the annual income limit of [REDACTED],166 for a group of one. The Notice as issued was in error and was misprinted. The annual income limit for HMP for [REDACTED] for a group of one member for HMP is [REDACTED]. (See Exhibit A and Exhibit B)
8. The Petitioner also provided pay stubs with her redetermination review. Pay period ending [REDACTED] for the pay period ending [REDACTED] the pay was [REDACTED] for the pay period ending [REDACTED] the pay was [REDACTED] for the pay period ending [REDACTED] the pay was [REDACTED] and for the pay period ending [REDACTED] the pay was [REDACTED]
9. The Department also used a consolidated inquiry for Petitioner's employment with [REDACTED] [REDACTED] for [REDACTED] which totaled [REDACTED]. Exhibit E
10. The Petitioner also received unemployment benefits in [REDACTED] in the amount of [REDACTED]. Exhibit F
11. The total revised annual income used by the Department to determine HMP eligibility was [REDACTED] based upon annual income for [REDACTED]
12. The Petitioner requested a timely hearing on [REDACTED] protesting the Departments action.

### **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.

In this case, the Department closed the Petitioner's HMP after a redetermination, based upon Petitioner's income exceeding the HMP annual income limit on [REDACTED]. The [REDACTED] HMP income limit was applicable, [REDACTED]0 because the [REDACTED] [REDACTED] income limit did not become effective until [REDACTED]. Based upon either limit, the Petitioner's income exceeded the limit.

MA is available (i) to individuals who are aged (65 or older), blind or disabled under SSI-related categories, (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 (January 2016), p. 1.

HMP is a MAGI-related MA category that provides MA 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 MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137 (January 2016), p. 1.

Petitioner, who is under age 64, not enrolled in Medicare and not the caretaker of any minor children is potentially eligible for MA under the HMP. An individual is eligible for HMP if her 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's household size for MAGI purposes is one. One hundred thirty-three percent of the annual FPL in 2016 for a household with one member is [REDACTED]. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed [REDACTED].

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (January 2016), p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, 42 CFR 435.603(h)(2) provides that for current beneficiaries and "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."

At the hearing, the Department stated that it relied on the information contained in the consolidated inquiry for Petitioner's reported income for [REDACTED] from [REDACTED] [REDACTED] (her employer). The [REDACTED] [REDACTED] income totaled [REDACTED] for [REDACTED] and Petitioner also received [REDACTED] in unemployment income. (See Exhibit G and F). The income totals [REDACTED]. Thus, based upon 2016 annual income the Petitioner's income is over the HMP income limit.

The Petitioner also submitted pay stubs with her redetermination. The pay stubs for [REDACTED] were used by the undersigned to review annual income based upon fluctuating income as a substitute teacher. The pays for [REDACTED] total [REDACTED] which when multiplied by 12, result in annual income of [REDACTED]. [REDACTED] [REDACTED]). Exhibit D. Looking at pays for [REDACTED], the total annual income is [REDACTED]. Exhibit D. The two pays were [REDACTED] and [REDACTED] resulting in monthly income of [REDACTED] months. Thus, using these pays the Petitioner's annual income is over the income limit for both [REDACTED].

After a thorough review of the evidence presented, it is determined that the Department correctly determined that the Petitioner is not eligible for HMP. The Petitioner may consider reapplying, as her student loan interest was not factored in as a deduction because she did not report it to the Department. This may result in a different outcome.

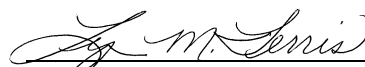
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it closed the Petitioner's HMP medical assistance.

### **DECISION AND ORDER**

Accordingly, the Department's decision is

**AFFIRMED.**

LF/hw



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**Lynn M. Ferris**  
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]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]