



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.: 17-008079
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; 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. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], Manager.

ISSUE

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

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 Food Assistance Program (FAP) and MA recipient.
2. Petitioner was a non-pregnant and unmarried individual with no minor children and was between the ages of 18-65 years.
3. Petitioner received \$ [REDACTED]/month in employment income.
4. On [REDACTED], MDHHS terminated Petitioner's MA eligibility, effective [REDACTED], due to excessive income.
5. On [REDACTED], Petitioner requested a hearing to dispute FAP eligibility from [REDACTED] and the termination of MA benefits.

CONCLUSIONS OF LAW

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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner's hearing request, in part, disputed FAP eligibility. Petitioner testified she specifically disputed the amount of FAP benefits issued to her beginning [REDACTED].

During the hearing, Petitioner testified she no longer wished to dispute FAP eligibility and that she accepted the FAP determination of benefits from [REDACTED]. Petitioner's testimony equated to a withdrawal of her hearing request. MDHHS had no objections to Petitioner's withdrawal. Petitioner's hearing request will be dismissed concerning her dispute of FAP benefits.

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).

Healthy Michigan Plan (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).

Petitioner requested a hearing, in part, to dispute a termination of MA benefits. MDHHS testimony indicated a notice dated [REDACTED], informed Petitioner of a termination of MA benefits, effective [REDACTED], due to excess income.

MDHHS testimony conceded the benefit termination improperly factored one of Petitioner's monthly employment pays as a biweekly pay. MDHHS testimony further indicated an attempt to correct the error resulted in issuing a second written notice which was also improper.

MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 4-6) dated [REDACTED]. The notice informed Petitioner of a denial of MA benefits from [REDACTED], in part, based on annual income of \$ [REDACTED].

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. The 2017 federal poverty level is \$11,880 for a one-person group. To be income-eligible for HMP benefits, Petitioner's income would have to fall at or below \$ [REDACTED]. HMP eligibility may allow for a higher income limit if a 5% income discrepancy is applied. For purposes of this decision, the HMP income limit for a non-pregnant and unmarried individual with no minor children is deemed to be \$ [REDACTED].

Petitioner had two jobs. Petitioner presented a pay stub of monthly earnings (Exhibit 1, p. 3) listing a gross income of \$ [REDACTED]. MDHHS presented Petitioner's biweekly pays from [REDACTED] (Exhibit 1, pp. 1-2) of \$ [REDACTED] and \$ [REDACTED]. It was not disputed that Petitioner's pays resulted in a countable monthly income of \$ [REDACTED]. It was also not disputed that Petitioner's annual income (based on her monthly wage) was \$ [REDACTED].

MDHHS could not explain how a denial notice calculated Petitioner's income to exceed \$ [REDACTED]. MDHHS also could not explain why the calculated income, which fell below HMP's income limits, justified denial of Petitioner's MA coverage. MDHHS conceded an attempt is being made to correct the error.

It is found that MDHHS improperly terminated Petitioner's MA eligibility. MDHHS will be ordered to reinstate Petitioner's MA eligibility based on Petitioner's monthly income of \$ [REDACTED].

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that Petitioner withdrew her hearing request concerning FAP eligibility from [REDACTED]. Petitioner's hearing request is **PARTIALLY DISMISSED**.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly terminated Petitioner's MA eligibility from [REDACTED]. 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 eligibility effective [REDACTED]; and
- (2) Calculate Petitioner's ongoing MA eligibility based on Petitioner's monthly income of \$ [REDACTED].

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

CG/jaf



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]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
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