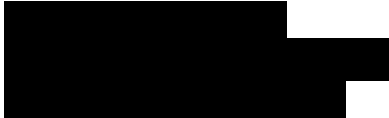




RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR



Date Mailed: September 18, 2017
MAHS Docket No.: 17-008906
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Gary Heisler

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 August 30, 2017, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Eligibility Specialist [REDACTED] [REDACTED] and Family Independence Manager [REDACTED] [REDACTED]

ISSUE

Did the Department properly close Petitioner's Healthy Michigan Plan (HMP) beginning July 1, 2017?

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 recipient of Healthy Michigan Plan (HMP) Medical Assistance (MA) benefits. Petitioner's eligibility was due for redetermination by July 1, 2017.
2. On June 1, 2017, Petitioner submitted a Redetermination (DHS-1010) form which indicated earned income from two employers, Meijer and AFLAC.
3. On June 14, 2017, online verification was obtained for both of Petitioner's employers. AFLAC reported that Petitioner was not an employee but rather an independent contractor. Petitioner's Medical Assistance (MA) financial eligibility budget was updated to include verified gross income from the two employers. Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606)

which stated she was not eligible for Healthy Michigan Plan (HMP) coverage beginning July 1, 2017 due to excess income.

4. On June 27, 2017, Petitioner submitted a hearing request.

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.

Bridges Eligibility Manual (BEM) 137 Healthy Michigan Plan (10-1-2016) states that the Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. It also states that income eligibility requires Modified adjusted gross income must be at or below 133 percent of the Federal Poverty Level (FPL).

The Modified Adjusted Gross Income (MAGI) Related Eligibility Manual (May 28, 2014) provides:

CHAPTER 7 INCOME

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards.

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.

In this case the Department asserts that they put Petitioner's verified, gross income into the BRIDGES computer and it calculated that she was over the MAGI income limit for Healthy Michigan Plan eligibility. There is no evidence in this record that indicates any expenses or other valid IRS deductions were considered in determining how much of Petitioner's independent contractor income would be included in her MAGI income calculation.

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 closed Petitioner's Healthy Michigan Plan (HMP) beginning July 1, 2017.

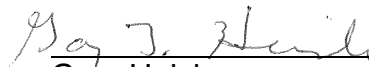
DECISION AND ORDER

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, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Petitioner's Healthy Michigan Plan (HMP) and re-determine her eligibility in accordance with Department policy and federal tax rules for determining adjusted gross income to include issuing a current Medical Assistance (MA) eligibility notice.

GH/nr



Gary Heisler
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]