



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: November 6, 2017
MAHS Docket No.: 17-009012
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 September 13, 2017, from [REDACTED] Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED] Eligibility Specialist and [REDACTED] Assistance Payment Supervisor.

ISSUE

Did the Department properly close the Petitioner's Medical Assistance (MA) Healthy Michigan Program (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 was a recipient of HMP.
2. On June 21, 2017, the Petitioner reported that she returned to seasonal employment with a first paycheck received on May 4, 2017 and provided copies of her check stubs. Department Exhibit 1, pgs. 22-28.
3. On June 27, 2017, the Department sent the Petitioner a Health Care Coverage Determination Notice, DHS 1606 that stated that the Petitioner was not eligible for HMP due to excess income from August 1, 2017 ongoing. Department Exhibit 1, pgs. 32-35.

4. On June 27, 2017, the Department received a hearing request from the Petitioner, contesting the Department's negative 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 Petitioner was a recipient of HMP. On June 21, 2017, the Petitioner reported that she returned to seasonal employment with a first paycheck received on May 4, 2017 and provided copies of her check stubs. Department Exhibit 1, pgs. 22-28. On June 27, 2017, the Department sent the Petitioner a Health Care Coverage Determination Notice, DHS 1606 that stated that the Petitioner was not eligible for HMP due to excess income from August 1, 2017 ongoing. Department Exhibit 1, pgs. 32-35. On June 27, 2017, the Department received a hearing request from the Petitioner, contesting the Department's negative action. BAM 137. BEM 500, 501, 502, 503, and 504.

During the hearing, the Department stated that the Petitioner had excess income for HMP using the Consolidated Inquiry (CI) that projected annual income. However, the Petitioner stated that she had a condo that she rented that she reported to the Department with the expenses on January 30, 2017. Department Exhibit 1, pg. 14. She provided a hand written list of expenses for the rental condo that the Department would need to have written verification of before she would be eligible for a discount.

The Petitioner would be eligible for the standard deduction if she did not provide written verification of her expenses. However, the Department never sent the Petitioner a Verification Checklist, DHS 3503, for her to submit the written verification of expenses. This Administrative Law Judge could not determine by the hearing packet if the Department had given her the standard deduction, but the Petitioner should have been given the option of itemized compared to standard deduction. Therefore, the Department did not properly determined that the Petitioner had excess income for HMP because they did not meet their burden that the standard deduction was given for expenses, but the Petitioner should have been given the option of itemized expenses.

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 of initiating a redetermination of the Petitioner's eligibility for HMP retroactive to her case closure of August 1, 2017, by sending out a Verification Checklist, DHS 3503, for her to submit the written verification of expenses for her rental condo.

Based on policy, the Department should provide the Petitioner with written notification of the Department's revised eligibility determination and issue the Petitioner any retroactive benefits she may be eligible to receive, if any.

Carmen G. Fahie

CF/nr

Carmen G. Fahie
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]