



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.: 17-006344
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 June 22, 2017, from Detroit, Michigan. The Petitioner was represented by [REDACTED] Authorized Hearing Representative. The Department of Health and Human Services (Department) was represented by Rebecca Johnson, Assistance Payments Worker.

ISSUE

Did the Department properly deny the Petitioner's application for 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 applied for Medical Assistance and was denied Healthily Michigan Plan (HMP) medical assistance due to having excess income.
2. On April 25, 2017, the Department sent a Health Care Coverage Determination Notice to Petitioner indicating that based upon her annual income of \$ [REDACTED] the Petitioner was not eligible for MA under the HMP program. Exhibit A
3. The Petitioner's household size is one member and the Petitioner annual income limit for HMP eligibility is \$16,039.80. Exhibit A

4. The Petitioner provided pay stubs with her application for one month. The Petitioner receives \$ [REDACTED] weekly resulting in monthly income of \$ [REDACTED]. This income results in annual income of \$ [REDACTED].
5. The Petitioner requested a timely hearing on [REDACTED] 2017 protesting the Department's denial.

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 denied the Petitioner's application for Medical Assistance because based upon her income as reported on the application, the Petitioner's income exceeded the income limit for the Healthy Michigan Plan (HMP). Exhibit A

The Department issued a Health Care Coverage Determination Notice dated April 25, 2017 which found the Petitioner ineligible for HMP due to her income exceeding the HMP income limit of \$16,039.80. Exhibit A. At the time of the denial, the Petitioner was the only person covered by the Notice and she was an MA group of one person. The Department received 4 pay stubs with the application which indicates that the Petitioner is paid weekly and receives [REDACTED] a week.

Based upon the Petitioner's employment and the income reported on the pay stubs, the Department determined that the Petitioner had excess income and was thus ineligible for HMP MA coverage.

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 the Petitioner's 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 \$16,039.80. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$16,039.80.

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 verification of income Petitioner provided to calculate Petitioner's projected annual income. Specifically, the Department stated that it considered monthly gross income of \$[REDACTED] based upon the pay stubs. ([REDACTED] X 12 months = \$[REDACTED]). Using the monthly amount of \$[REDACTED], the Petitioner's monthly income when multiplied by 12 results in annual income of \$[REDACTED]. Based upon this income, it is clear that Petitioner's income exceeds the annual income limit of \$[REDACTED] and thus is not eligible for HMP. The Department's Notice of Health Care Denial used a higher income amount of \$[REDACTED] to deny HMP. Based upon the actual pay stubs presented, it is determined that the income of Petitioner still exceeds the annual limit for HMP, and thus the Department's determination denying the Petitioner's MA application is correct.

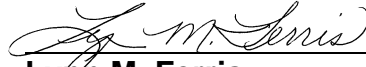
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it denied the Petitioner's medical assistance application.

DECISION AND ORDER

Accordingly, the Department's decision is

AFFIRMED.

LF/hw



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

MDHHS-Wayne-17-Hearings
BSC4-HearingDecisions
MA
(via email)

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED]