



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: October 4, 2017
MAHS Docket No.: 17-011261
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Ellen McLemore

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 October 3, 2017, from Detroit, Michigan. Petitioner was present and represented herself. The Department of Health and Human Services (Department) was represented by Colleen Corey, Assistance Payments Supervisor; Tangye Wright, Assistance Payments Worker; and Amanda Dhooghe, who was only observing.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) benefit case?

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 MA recipient under the Healthy Michigan Plan (HMP).
2. On June 28, 2017, Petitioner submitted a completed Redetermination (Exhibit B). Along with the Redetermination, Petitioner submitted five pay statements from her employment with [REDACTED] (Exhibit C).
3. Petitioner confirmed she is legally married but files her taxes separately from her husband; she does not claim any tax dependents besides herself; she is not the parent/caretaker of any minor children; she is not enrolled in Medicare; and she has not been determined as disabled by any State or Federal agency.

4. On August 14, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that her MA benefit case was being closed effective September 1, 2017, ongoing.
5. On August 18, 2017, Petitioner submitted a Request for Hearing disputing the Department's actions.

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, Petitioner completed a Redetermination on June 28, 2017. In the Redetermination Petitioner indicated she did not file taxes jointly with a spouse and did not claim any other dependents other than herself. Petitioner is married, but files her taxes separately from her spouse and does not live with her spouse. Along with the Redetermination, Petitioner submitted five earnings statements from her employment at [REDACTED]. On June 5, 2017, Petitioner received a payment in the amount of \$759.89; on June 19, 2017, she received \$682.63; on July 3, 2017, she received \$794.51; on July 17, 2017, she received \$760.66; and on July 31, 2017, she received \$785.77.

The Department concluded that Petitioner was not eligible for HMP because her income exceeded the applicable income limit for her group size. HMP uses a Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (October 2016), p. 1. An individual is eligible for HMP if her household's income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size. BEM 137, p. 1. An individual's group size for MAGI-related purposes requires consideration of the client's tax filing status. In this case, Petitioner filed taxes separately from her husband and did not claim any dependents. Department policy states that the household for a tax filer who is not claimed as a tax dependent consists of the individual, the individual's spouse and tax dependents. BEM 211 (January 2016), pp. 1-2. Department policy does not set forth guidelines for group composition when the spouses are not living together and file taxes separately. However, Federal guidelines for the application of MAGI-related programs states that the basic rule for taxpayers not claimed as a tax dependent is that the household for an individual consists of all persons whom such individual expects to

claim as a tax dependent. 42 CFR 435.603(f)(1). It further states that married couples who live together will be included in each other's household. 42 CFR 435.603(f)(4). Per Federal guidelines, Petitioner would be a group size of one for MAGI-related programs, as she is not living with her spouse and does not claim him as a dependent. Therefore, in determining Petitioner's MA status, the Department properly considered Petitioner as having a group size of one.

133% of the annual FPL in 2017 for a household with one member is \$16,039.80. See <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. BEM 500 (July 2017), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1.

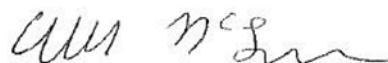
In order to determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS Tax Form 1040 at line 37, Form 1040 EZ at line 4, and Form 1040A at line 21. Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, child care, or retirement savings. This figure is multiplied by the number of paychecks the client expects in 2017 to estimate income for the year. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

The Department properly averaged the pay statement amounts provided by Petitioner and multiplied the amount by 26, as Petitioner is paid biweekly, to obtain a yearly income of \$19,673.99. Therefore, the Department properly determined Petitioner was not eligible for MA benefits under the HMP program, as her income exceeded 133% of the FPL for a group size of one, or \$16,039.80.

DECISION AND ORDER

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 is closed Petitioner's MA case.

Accordingly, the Department's decision is **AFFIRMED**.



EM/jaf

Ellen McLemore
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-Oakland-IV-Hearings

Petitioner



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