



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: January 10, 2018
MAHS Docket No.: 17-013904
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 December 12, 2017, from Detroit, Michigan. The Petitioner was represented by herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Supervisor, and [REDACTED], Assistance Payments Worker.

ISSUE

Did the Department properly close the Petitioner's Medical Assistance (MA) benefits for the Healthy Michigan Plan (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 is a family household group of five (5) persons including herself, her spouse and three (3) minor children.
2. The Department issued a Health Care Coverage Determination Notice on October 6, 2017, closing Petitioner's HMP MA effective November 1, 2017, due to group countable income exceeding the income limit. (Exhibit A.)
3. The Petitioner's spouse is employed and is paid \$ [REDACTED] hourly. The Petitioner provided pay stubs to the Department as part of a MA review for the 30-day period

August 6 through August 19, 2017, (gross pay \$ [REDACTED] and August 20, 2017, through September 2, 2017, (gross pay \$ [REDACTED] (Exhibit B, pp. 6-7.)

4. At the time of the Department's determination of ineligibility, the income limit for HMP for a group of five (5) members was \$ [REDACTED]
5. The Petitioner requested a timely hearing on October 16, 2017, protesting the Department's action closing her MA.

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.

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 the caretaker of minor children, is potentially eligible for MA under the HMP. An individual is eligible for HMP if her 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 five (5) persons, the Petitioner, her spouse and three (3) children. 133% of the annual FPL in 2017 for a household with five (5) members at the time of the review in October 2017 was

\$ [REDACTED] <https://aspe.hhs.gov/poverty-guidelines>. (See Also Exhibit A.) Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed that amount.

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." As explained below, using current monthly household income or projected annual income for the remainder of the year 2017 the Petitioner is not eligible due to excess income.

At the hearing, the Department stated that it relied upon the information supplied by Petitioner with her redetermination based upon check stubs provided to determine income eligibility. (Exhibit B.) The annual income determined by the Department was as shown above on the Health Care Notice as \$ [REDACTED] is incorrect. However, the Department determination that the Petitioner is not eligible for HMP based upon the group income exceeding the HMP income limit for a group of five (5) is correct based upon the pay stubs provided by Petitioner.

The gross monthly income adding the two pay stubs provided to the Department for August 2, 2017, through September 2, 2017, totals \$ [REDACTED] (\$ [REDACTED] + \$ [REDACTED]). When the income is converted to account for months with more than two pays, the gross monthly income is \$ [REDACTED] on an annualized basis. ($\$ [REDACTED] \div 2 = \$ [REDACTED]$ X 2.15 = \$ [REDACTED]). This monthly gross income when multiplied by 12 months, totals \$ [REDACTED]. As of September 2, 2017, the Petitioner's husband had gross earnings of \$ [REDACTED] as shown on the pay stub. (Exhibit B, p. 7.) When three months of income, based upon converted income of \$ [REDACTED] a month, is added to the year-to-date earnings, the income exceeds the \$ [REDACTED] income limit. ($\$ [REDACTED] + \$ [REDACTED]$ totals \$ [REDACTED]). Although the Department determined the gross monthly income to be \$ [REDACTED] this difference does not change the outcome, because based upon the monthly pay stubs, the Petitioner is not eligible for HMP.

The Department's determination is correct; and thus, based upon the Petitioner's 2017 annual income, the Petitioner's income is over the HMP income limit for 2017. Thus, it is determined that the Department properly closed Petitioner's MA for HMP.

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 closed the Petitioner's HMP medical assistance due to excess income.

DECISION AND ORDER

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

LF/jaf



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

[REDACTED]

Petitioner

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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