



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: February 28, 2018
MAHS Docket No.: 18-000956
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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 February 26, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) benefits effective February 1, 2018?

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 Department issued a Redetermination form for Petitioner to complete and return by December 1, 2017.
2. On November 28, 2017, Petitioner completed the form and provided proof of his employment income from U-Haul Co. of Michigan (Employer) to the Department.
3. The Department received a Wage Match for Petitioner from Employer listing his first, second, and third quarter wages from Employer.
4. On January 10, 2018, the Department issued a Health Care Coverage Determination Notice (HCCDN) closing Petitioner's MA case effective February 1, 2018, indicating that his countable income exceeded the income limit for his group size.

5. On January 17, 2018, Petitioner requested a hearing disputing the closure of his MA case.

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).

Food Assistance Program

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Petitioner's request for hearing was exclusive to the issue of his MA benefits. He did not request a hearing related to his FAP benefits; however, this case was marked by the Department and by the Michigan Administrative Hearing System (MAHS) as including an issue related to FAP. Since Petitioner's request for hearing did not mention anything related to FAP and he agrees that at the time of his request, he was not concerned with FAP benefits, the FAP portion of the case is dismissed. Petitioner's hearing request related to MA benefits is discussed below.

Medical Assistance

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 requested a hearing disputing the closure of his MA case after the Department determined that he had exceeded the income limits for the Healthy Michigan Program (HMP) and did not meet the criteria for any other MA program. Petitioner did not dispute that he was ineligible for the other MA programs but believes that the Department erred in calculating his income for purposes of HMP eligibility.

HMP 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. MPM, Healthy Michigan Plan, § 1.1.

The Department explained that when it processed Petitioner's income information using the quarterly wages from Employer, Petitioner was no longer income-eligible for HMP. The HCCDN indicated that Petitioner's annual income was \$ [REDACTED]

An individual is eligible for HMP if the 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, Petitioner has no dependents. Therefore, for MAGI purposes, he has a household size of one. BEM 211 (January 2016), pp. 1-2. 133% of the annual FPL in 2017 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.

In connection with the Redetermination, Petitioner submitted proof of two pay periods from October 23, 2017 through November 19, 2017. For the pay period ending November 5, 2017, Petitioner received \$ [REDACTED]. For the period ending November 19, 2017, Petitioner received two pay checks totaling \$ [REDACTED]. The Department reviewed a Wage Match showing that Petitioner's first-quarter wages were \$ [REDACTED], second-quarter wages were \$ [REDACTED], and third-quarter wages were \$ [REDACTED].

Based upon the evidence presented, it is unclear how the Department calculated an annual income of \$ [REDACTED]. If the average of Petitioner's quarterly income is used for the fourth-quarter and added to the other quarters, his annual income is \$ [REDACTED]. If the highest quarter is used as the Petitioner's fourth-quarter earnings, his annual income is \$ [REDACTED]. If the Petitioner's verified wages from October and November are used to calculate a standard monthly income (\$ [REDACTED]) then multiplied by three to achieve the fourth-quarter wages (\$ [REDACTED]) and added to the other quarters, his annual income is \$ [REDACTED]. In any of these methods, the Petitioner's annual income is less than 133% of the Federal Poverty Limit; the Department has not met its burden of proof in establishing that the closure of Petitioner's case was in accordance with policy.

During the hearing, the Eligibility Specialist indicated that if Petitioner turned in additional income information, his MA case would be reopened; and he would be eligible for benefits. Nothing in the HCCDN indicates that his case was closed for failure to verify income. In addition, since the Petitioner's Redetermination was due on December 1, 2017, it was impossible for Petitioner to provide income information for the fourth quarter of 2017 or income information for the remainder of November and December 2017. Therefore, if his case was closed for failure to provide income information, the Department did not act in accordance with policy.

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 MA case.

DECISION AND ORDER

The portion of the hearing related to **FAP** is **DISMISSED**.

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 and reprocess Petitioner's MA eligibility from February 1, 2018, ongoing;
2. If Petitioner is eligible for MA benefits beginning February 1, 2018, issue any supplements on Petitioner's behalf in accordance with Policy; and
3. Notify Petitioner in writing of its decision.



AM/

Amanda M. T. Marler
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]

Petitioner

[REDACTED]
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