



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

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Date Mailed: February 7, 2018
MAHS Docket No.: 17-012995
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Denise McNulty

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 November 27, 2017, from Detroit, Michigan. The Petitioner represented himself. The Department of Health and Human Services (Department) was represented by ██████████ ██████████ Lead Worker Eligibility Specialist, and ██████████, Manager.

ISSUE

Did the Department properly find Petitioner not eligible for Retroactive Coverage for June 2017 because he was over the income limit for Medical Assistance (MA) for that month?

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 a recipient of MA benefits.
2. Petitioner applied for retroactive MA benefits for June 2017.
3. On September 12, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing him that he was not eligible for MA benefits for the month of June 2017.
4. On September 25, 2017, the Department received Petitioner's request for hearing disputing the Department's actions. [Exhibit A, pp. 2-11.]

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 requested a hearing to dispute the Department's actions regarding his request for retroactive MA for the month of June 2017. He sought MA benefits for the month of June 2017. Petitioner submitted a paycheck stub for the month of June 2017 showing he had gross income of \$ [REDACTED]. On September 19, 2017, the Department sent Petitioner an HCCDN informing him that he was not eligible for MA for the month of June 2017.

MA is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (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 (October 2016), p. 1; BEM 137 (October 2016), p. 1. HMP is a Modified Adjusted Gross Income (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 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, p. 1.

In this case, the Department concluded that Petitioner did not qualify for G2C benefits because he did not have custody of his children more than 50% of the time; and his children were receiving MA benefits under their mother's case.

The Department concluded that Petitioner was not eligible for HMP because his income exceeded the applicable income limit for his group size. An individual is eligible for HMP if his household's income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status. For HMP purposes, Petitioner was a household size of one. BEM 211 (October 2016), pp. 1-2. Although Petitioner testified at the hearing that he had joint custody of his children, they were not in his custody more than 50% of the time. Therefore, in determining Petitioner's MA status for 2017, 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 \$ [REDACTED]. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$ [REDACTED].

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (January 2016), 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/> Petitioner provided the Department with a paycheck stub for the month of June 2017 showing he had gross earnings of \$ [REDACTED]. For the month of June 2017, Petitioner's income exceeded the income limit for HMP. The Department reviewed Petitioner's case; and in the month of June, he did not meet the requirements for eligibility in any other MA program.

As such, it is found that the Department acted in accordance with policy when it determined Petitioner was not eligible for MA in the month of June 2017.

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 it found Petitioner not eligible for retroactive MA for the month of June 2017.

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

DM/jaf



Denise McNulty

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]
[REDACTED]
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