



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: March 20, 2018
MAHS Docket No.: 18-000572
Agency No.: ██████████
Petitioner: ██████████

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 March 19, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by ██████████, Assistance Payments Lead Worker.

ISSUE

Did the Department properly determine that Petitioner was ineligible for MA benefits?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On December 5, 2017, Petitioner began new employment with ██████████ (Employer).
2. Petitioner timely reported her new employment and income to the Department.
3. On January 11, 2018, the Department issued a Health Care Coverage Determination Notice because of the change in Petitioner's employment income determining that she was ineligible for MA benefits as she was no longer income eligible for the Healthy Michigan Plan (HMP) as of February 1, 2018.

4. On January 29, 2018, the Department received Petitioner's hearing request disputing her ineligible for MA benefits.
5. On the same day, Petitioner submitted child support expense information to the Department; however, the Department did not take any action or make any determinations based upon the new information before Petitioner's hearing request was submitted.

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 determined that Petitioner was not eligible for MA benefits after becoming ineligible based upon her income for the HMP. Medicaid 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 (April 2017), p. 1.

Petitioner is not under age 21, pregnant, or disabled, nor does she receive Medicare. While Petitioner is a parent, she does not have custody of her children. No evidence was presented that Petitioner was a former foster child. Therefore, the programs for each of these groups are inapplicable to the Petitioner.

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. To determine financial eligibility for HMP, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (January

2016), p. 3. Determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents.

No evidence was presented regarding Petitioner's tax filing status. The Department determined Petitioner's eligibility based upon a group size of one. The Petitioner did not dispute the Department's determination of group size. With a household size of one, 133% of the federal poverty limit is \$16,039.80. <https://aspe.hhs.gov/2017-poverty-guidelines>.

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 per year to estimate income for the year. <https://www.healthcare.gov/income-an-household-information/how-to-report>. Tax filing forms were not provided in the hearing; therefore, Petitioner's gross income as listed on her pay stubs is used to calculate her MAGI.

The Department calculated Petitioner's annual income to be \$ [REDACTED] and indicated at the hearing that it relied upon the information from the Work Number Report for the pay periods which were paid on December 14, 2017, and through January 12, 2018. After a thorough review of the hours worked, gross pay, pay rate, and weekly pay schedule, it is unclear how the Department calculated wages of \$ [REDACTED]. The Department provided no additional evidence on the calculation of Petitioner's wages.

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 determined that Petitioner was not eligible for MA coverage.

DECISION AND ORDER

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. Reprocess Petitioner's reported changes to determine eligibility for HMP;

2. If Petitioner is eligible for HMP benefits, issue supplements on Petitioner's behalf for benefits not previously issued; 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]
[REDACTED]
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