



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.: 18-001001
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 and had the services of an ██████████ Interpreter, ██████████. The Department of Health and Human Services (Department) was represented by ██████████ Hearing Facilitator.

ISSUE

Did the Department properly determine that Petitioner was ineligible for Medical Assistance (MA) coverage?

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 January 2, 2018, the Department issued a Health Care Coverage Determination Notice (HCCDN) holding that Petitioner and her husband were ineligible for MA benefits under the Healthy Michigan Plan (HMP) due to countable income being over the income limit for the group size.
2. On January 17, 2018, Petitioner submitted a hearing request disputing the Department’s decision to hold her and her husband ineligible for MA benefits.

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 and her husband were not income eligible for MA coverage in the HMP nor were they eligible for any other MA program. 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 or pregnant, nor does she or her husband receive Medicare. No evidence was presented that Petitioner or her husband was a parent, caretaker, or former foster child. Finally, no evidence was presented that Petitioner or her husband are considered disabled. Therefore, the programs for each of these groups are inapplicable to the Petitioner and her husband.

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. A 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 or her husband's tax filing status however the household for a tax filer or non-tax filer always consists of the individual and their spouse if they live together. BEM 211 (January 2016), p. 2. Therefore, Petitioner's group size is two. The income limit for adults age 19-64 in the HMP is 133% of the Federal Poverty Level (FPL) or \$21,599.20. <https://aspe.hhs.gov/2017-poverty-guidelines>.

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 Services rules and relies on federal tax information. BEM 500, p. 3. To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any 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 2. 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 for the year to estimate the annual income.

No tax forms were presented for the hearing. However, Petitioner provided copies of earnings statements to the Department for both herself and her husband. The pay stubs show that as of December 8, 2017, Petitioner had annual gross earnings of \$ [REDACTED] and her husband had annual gross earnings of \$ [REDACTED]. The HCCDN lists both Petitioner and her husband each having annual income of \$ [REDACTED]. It is unclear how the Department came to this conclusion. However, when their income is added together based upon the year-to-date income from the December 8, 2017, pay stubs, Petitioner and her husband had a combined income of \$ [REDACTED]. This income does not include income from the last couple of weeks in the year. It is also more than \$ [REDACTED] greater than 133% of the FPL.

If an individual's group income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2. Five percent of the FPL for a two-person group is \$ [REDACTED]. Petitioner's household's annual income of \$ [REDACTED] less \$ [REDACTED] is \$ [REDACTED]. Petitioner's income even after consideration of the 5% disregard remains over the HMP income limit of \$ [REDACTED]. Petitioner and her husband are not income-eligible for HMP even when the 5% disregard is applied. Therefore, the Department properly determined that Petitioner was not eligible for MA under the HMP program.

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 determined that Petitioner was ineligible for MA.

DECISION AND ORDER

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



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]

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
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