



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 26, 2018
MAHS Docket No.: 18-002071
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 April 25, 2018, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

ISSUE

Did the Department properly deny Petitioner's application for Medical Assistance (MA) program 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. Petitioner submitted an MA application for benefits listing employment earning \$ [REDACTED] per hour and averaging 24 hours per week with a group size of one.
2. On January 19, 2018, the Department issued a Health Care Coverage Decision Notice (HCCDN) informing Petitioner that he was denied MA coverage due to being over the income limit as of December 1, 2017.
3. On February 20, 2018, the Department received Petitioner's request for hearing disputing the denial of 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, Petitioner is disputing the denial of MA benefits. The Department denied Petitioner coverage for MA benefits because he does not meet program requirements. On page 4 of Exhibit A, the Department lists each program evaluated for Petitioner to determine his eligibility.

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 he receive Medicare. No evidence was presented that Petitioner was a parent, caretaker, or former foster child. Therefore, the programs for each of these groups are inapplicable to the Petitioner. The Department testified that if Petitioner was eligible for any MA program, his eligibility would fall within the HMP.

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.

Petitioner provided paystubs to the Department showing that he is married but only claims one exemption for federal tax filing purposes. In addition, Petitioner's application for MA benefits lists himself but no one else. Finally, Petitioner did not dispute the Department's position that he only has a group size of one. Therefore, for purposes of

this decision, Petitioner has a group size of one. With a household size of one, 133% of the FPL is \$ [REDACTED] <https://aspe.hhs.gov/2017-poverty-guidelines>.

In calculating Petitioner's income, the Department considered Petitioner's paystubs which covered the period from November 25, 2017, through December 22, 2017. As of his final paystub issued on December 28, 2017, Petitioner had a year-to-date gross income of \$ [REDACTED]. Therefore, Petitioner's income was 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 one-person group is \$ [REDACTED]. Even after consideration of the 5% disregard, Petitioner's income is still greater than 133% of the FPL. Therefore, the Department properly determined that Petitioner was not eligible for MA under the HMP program.

During the hearing and in Petitioner's request for hearing, Petitioner indicated that he has various illnesses or disabilities which he believes are sufficient enough to establish his eligibility for MA benefits. Individuals who are aged, blind, or disabled are considered part of the SSI-related MA categories. While the Department included in the HCCDN that Petitioner was not disabled, this statement is contradictory to Petitioner's testimony and assertions from his hearing request.

A disability has been defined as a person who meets all of the following conditions:

- A medically determined physical or mental impairment.
- An impairment preventing the client from engaging in any substantial gainful activity.
- An impairment which
 - Can be expected to result in death, or
 - Has lasted at least 12 months, or
 - Is expected to last at least 12 consecutive months.

BEM 260 (July 2015), p. 10. A person is able to participate in substantial gainful activity if that person can do all of the following:

- Perform significant duties;
- Does the significant duty for a reasonable length of time; and
- Does a job normally done for pay or profit.

Id. Significant duties are duties used to do a job or run a business which have a degree of economic value; however, the ability to run a household or take care of oneself does **not**, on its own, constitute substantial gainful activity. *Id.* The disability can be established through receipt of Retirement, Survivors, and Disability Insurance (RSDI) or through a decision of Disability Determination Services (DDS). BEM 260, p. 3.

In this case, the Department has shown the Petitioner is not a recipient of RSDI, but it has not provided any evidence that there was a determination made by DDS that

Petitioner was not disabled. It is unclear if Petitioner listed himself as not disabled on his application for benefits because only the income information page of his application was provided for the hearing. If Petitioner listed himself as not disabled, then the issue might have been resolved. However, if Petitioner listed himself as disabled as he appeared to be arguing through his request for hearing and testimony, then the Department did not meet its burden of showing ineligibility based upon a lack of disability. In either case, the Department did not provide the full application nor did it provide information on its finding of no disability. Therefore, it has not met its burden of proof.

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 ineligible for HMP MA coverage, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner to be not disabled.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the denial of HMP MA coverage and **REVERSED IN PART** with respect to the denial of MA coverage based upon a disability.

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. Reconsider Petitioner's application for MA benefits from December 2017 ongoing,
2. If Petitioner is eligible for MA benefits, issue supplements to Petitioner or on his behalf from December 2017 ongoing in accordance with Department policy; and
3. Notify Petitioner in writing of its decision.
- 4.



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]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]