



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: June 4, 2018
MAHS Docket No.: 18-003347
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 May 30, 2018, from Detroit, Michigan. Petitioner did not appear but was represented by his spouse, ██████████ (hereinafter "Spouse"), who also testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Rebecca Johnson, specialist.

ISSUE

The issue is whether MDHHS properly determined Spouse's Medical Assistance (MA) eligibility.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Spouse was an ongoing recipient of Medicaid.
2. At all relevant times, Petitioner's household included Spouse and two minor children.
3. On an unspecified date, MDHHS determined Spouse's MA eligibility based on the following weekly gross pay amounts and dates for Petitioner: \$█████ on January 5, 2018, \$█████ on January 12, 2018, and \$█████ on January 19, 2018. (Exhibit A, pp. 13-16)
4. On February 27, 2018, MDHHS determined that Spouse had excess income for Healthy Michigan Plan (HMP) eligibility based on an annual household income of

\$ [REDACTED] MDHHS further determined Spouse to be eligible for Medicaid subject to a \$ [REDACTED]/month deductible. (Exhibit A, pp. 17-24)

5. On March 27, 2018, Petitioner requested a hearing to dispute MA eligibility for Petitioner and Spouse. (Exhibit A, pp. 2-3)
6. On May 30, 2018, an administrative hearing was held. Spouse testified that only a dispute of Spouse's MA eligibility was needed.

CONCLUSIONS OF LAW

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

HMP is a health care program administered by the Michigan Department of Community Health, Medical Services Administration. The program is authorized under the Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGIM).

Petitioner requested a hearing, in part, to dispute a determination of MA eligibility for himself. During the hearing, Spouse testified that only a determination of MA eligibility for her was needed. Spouse's testimony is interpreted as a withdrawal of Petitioner's hearing request concerning Petitioner's MA eligibility. Based on Spouse's withdrawal, Petitioner's hearing request will be dismissed concerning Petitioner's MA eligibility.

Petitioner's hearing request also disputed Spouse's MA eligibility. MDHHS presented a Health Care Coverage Determination Notice dated February 27, 2018. The notice informed Petitioner that Spouse was ineligible for MAGI-related MA due to excess income. (Exhibit A, pp. 17-24)

HMP is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (January 2018) p. 1. Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. MAGIM (May 28, 2014), p. 14. It is based on federal tax rules for determining adjusted gross income. *Id.* It eliminates asset tests and special deductions or disregards. *Id.* Every individual is evaluated for eligibility based on MAGI rules. *Id.*

For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603 (h)(2). In determining current monthly or projected annual household income and family size under paragraphs (h)(1) or (h)(2) of this section, the agency may adopt a reasonable method to include a prorated portion of reasonably predictable future income, to account for a reasonably predictable increase or decrease in future income, or both, as evidenced by a signed contract for employment, a clear history of predictable fluctuations in income, or other clear indicia of such future changes in income. 42 CFR 435.603 (h)(3).

The written notice denying Spouse HMP eligibility listed an income of \$ [REDACTED] for Petitioner's household. MDHHS did not provide any evidence clarifying how Petitioner's household income was calculated. Presumably, the stated income is a projection of Petitioner's employment income which was the only reported income for the household. The annual household income of \$ [REDACTED] may be a fair projection based on some unknown information; it was not a fair projection based on the presented income evidence.

MDHHS factored Petitioner's eligibility for non-Magi-related eligibility based on weekly gross pay amounts of \$ [REDACTED], \$ [REDACTED], and \$ [REDACTED] the three pays represent an average weekly income of \$ [REDACTED]. Multiplying Petitioner's weekly gross pay by 52 weeks results in an annual household income of \$ [REDACTED].

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. The 2018 federal poverty level is \$25,100 for a two-person group. For Spouse to be income-eligible for HMP benefits, household income would have to fall at or below \$33,383. Petitioner's household income is found to fall below HMP income limits. Thus, MDHHS improperly determined Spouse to be ineligible for HMP based on excess income.

When MDHHS denied Spouse's HMP eligibility, MDHHS found Spouse eligible for Medicaid subject to a \$ [REDACTED]/month deductible through a non-MAGI-related category. The determination was based on the same income (\$ [REDACTED]/week) used above to evaluate the denial of MAGI-related benefits to Spouse. A presented budget (Exhibit A, p. 33) appeared to be correct concerning Spouse's eligibility for MA under the non-Magi category. The correctness of Spouse's non-Magi related eligibility does not impact the finding that MDHHS failed to correctly determine Spouse's MAGI-related Medicaid eligibility. MDHHS will be ordered to reevaluate Spouse's MAGI-related eligibility based on presented income information.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that Spouse withdrew a dispute concerning MA eligibility for Petitioner. Concerning MA eligibility for Petitioner, the hearing request is **DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly determined Spouse's MAGI-related eligibility. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Redetermine Spouse's MAGI-related MA eligibility, effective April 2018, subject to the finding that Petitioner's gross employment income was \$ [REDACTED] /week; and
- (2) Initiate a supplement of any benefits improperly not issued.

The actions taken by MDHHS are **REVERSED**.

CG/jaf



Christian Gardocki
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) 763-0155; 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

Tara Roland 82-17
MDHHS-Wayne-17-Hearings

Petitioner

[REDACTED]
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[REDACTED] MI [REDACTED]

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