



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 26, 2018
MAHS Docket No.: 18-005043
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 June 20, 2018, from Detroit, Michigan. Petitioner appeared via telephone and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Mary Durussel, supervisor, and Linda Kennedy, specialist.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's Healthy Michigan Plan (HMP) eligibility due to excess income.

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 an ongoing recipient of Healthy Michigan Plan (HMP) benefits.
2. Petitioner had ongoing monthly employment income of \$ ██████████ and \$ ██████████ from two different jobs.
3. On April 9, 2018, Petitioner reported to MDHHS employment from a third job. Petitioner reported that she began work on March 16, 2018, and would be paid \$ ██████████/hour. Petitioner reported that she was expected to work "11-max" hours per week.

4. On April 10, 2018, MDHHS determined Petitioner was ineligible for HMP, effective May 2018, due to excess income. (Exhibit A, pp. 6-9)
5. On April 18, 2018, Petitioner requested a hearing to dispute the termination of HMP eligibility.

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).

Healthy Michigan Plan (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 to dispute a termination of HMP eligibility. MDHHS presented a Health Care Coverage Determination Notice dated April 10, 2018, which stated that Petitioner's HMP eligibility would end May 2018 due to excess income (Exhibit A, pp. 6-9)

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).

Petitioner received income from three different jobs. MDHHS calculated Petitioner's employment income as \$ [REDACTED] from two of Petitioner's jobs; Petitioner did not allege that MDHHS miscalculated this income. Petitioner only disputed the calculation of her income from a third job.

Concerning her third job, Petitioner reported to MDHHS that she was expected to work 11 hours/week at most and receive \$ [REDACTED] per hour. MDHHS projected monthly income from Petitioner's third job by multiplying Petitioner's hourly wage by 11 hours/week by 4 weeks/month. The result was a monthly income of \$ [REDACTED]

Petitioner contended that MDHHS' income projection was improperly high because MDHHS factored the most hours per week that Petitioner would work. Petitioner's contention has some merit, but two considerations render Petitioner's argument to be unpersuasive. First, if MDHHS did not project Petitioner's income based on 11 hours/week, it is not known what hours MDHHS should have used; Petitioner did not provide an average or typical week of hours on the document on which she reported her employment. Secondly, if Petitioner is working less than 11 hours per week, Petitioner could have submitted 30 days of income verifications to MDHHS or during the hearing to verify she works fewer hours than factored by MDHHS. MDHHS even told Petitioner that she could submit updated pay information for a new determination; in response, Petitioner did not submit updated pays to MDHHS or during the hearing.

Given the evidence, MDHHS properly factored Petitioner's income from her third job to be \$ [REDACTED] per month. Adding Petitioner's employment income from her three job results in a total monthly 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 \$12,140 for a one-person group. For Petitioner to be eligible for HMP, countable income would have to fall at or below \$16,146.20 (\$1,345.52/month). Petitioner's income exceeds HMP limits. Thus, MDHHS properly determined Petitioner to be ineligible for HMP due to excess income. As discussed during the hearing, Petitioner can always reapply for MA benefits and/or submit proof of updated income to MDHHS for reconsideration of eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's HMP eligibility, effective May 2018, due to excess income. The actions taken by MDHHS are **AFFIRMED**.

CG/



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

Barbara Schram - 4
MDHHS-Alpena-Hearings

Petitioner

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

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