



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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

Date Mailed: July 30, 2018  
MAHS Docket No.: 18-005877  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**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 July 25, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Sheila Crittenden, manager.

**ISSUE**

The issue is whether MDHHS properly determined Petitioner had excess income for Healthy Michigan Plan (HMP) 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. Petitioner was an ongoing HMP recipient.
2. On April 18, 2018, MDHHS mailed Petitioner a Wage Match Notice requesting Petitioner's employment income information. (Exhibit A, pp. 7-8)
3. On an unspecified date, Petitioner reported the following weekly gross income: \$ [REDACTED] on April 13, 2018; \$ [REDACTED] on April 20, 2018; \$ [REDACTED] on April 27, 2018; and \$ [REDACTED] on May 4, 2018.

4. On May 9, 2018, MDHHS terminated Petitioner's HMP eligibility, effective June 2018, based on calculating Petitioner's annual income to be \$ [REDACTED] (Exhibit A, pp. 3-6)
5. On May 16, 2018, Petitioner requested a hearing to dispute the termination of HMP benefits.

### **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 to dispute a termination of HMP benefits. MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 3-6) dated May 9, 2018. The notice informed Petitioner of a termination of HMP beginning June 2018 due to excess income.

The Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (October 2016) 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 MA 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 notice of HMP termination stated that MDHHS calculated Petitioner's annual income to be \$ [REDACTED] MDHHS was unable to state how or from what source Petitioner's income was calculated.

It is known that MDHHS verified Petitioner's gross weekly employment income from April 13, 2018, to May 4, 2018. The sum of Petitioner's four pays is \$ [REDACTED] this amount matched the amount on a "MA Budget amount" (see Exhibit A, p. 11). Given the evidence, Petitioner's monthly gross income is \$ [REDACTED] Multiplying Petitioner's monthly MA income by 12 results in an annual 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 of \$ [REDACTED] falls below HMP limits. Thus, MDHHS improperly determined Petitioner to be ineligible for HMP due to excess income.

### DECISION AND ORDER

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

- (1) Reinstate Petitioner's HMP eligibility, effective June 2018, subject to the finding that Petitioner's monthly income is \$ [REDACTED] and
- (2) Initiate a supplement of any benefits improperly not issued.

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

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**

Sheila Crittenden  
MDHHS-GR8North-Hearings

**Petitioner**

[REDACTED]  
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