



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: August 7, 2018
MAHS Docket No.: 18-005567
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 July 30, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Tonya Turkelson, hearing facilitator.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's and her spouse's eligibility for Healthy Michigan Plan (HMP).

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 and her spouse (hereinafter "Spouse") were ongoing HMP recipients.
2. In 2018, Petitioner received gross unemployment compensation benefits (UCB) of \$ ██████████/two weeks for a period of five full months.
3. In 2018, Spouse received \$ ██████████ in income.
4. As of May 21, 2018, Petitioner expected to receive \$ ██████████/two weeks in employment income for a period of seven full months.
5. On May 21, 2018, MDHHS terminated Petitioner's and Spouse's HMP eligibility, effective June 2018, due to excess income. (Exhibit A, pp. 44-40)

6. On May 29, 2018, Petitioner requested a hearing to dispute the termination of HMP eligibility. (Exhibit A, pp. 46-45)

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 effective June 2018. MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 44-40) informing Petitioner of HMP ineligibility 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).

MDHHS calculated Petitioner's household income based on Petitioner's statements that she worked for seven months of the year and received UCB for the other five months. Petitioner testimony agreed with the method of calculation.

MDHHS presented Petitioner's UCB history from 2018 (Exhibit A, pp. 32-31). Various biweekly pays of \$ [REDACTED] were listed. MDHHS testimony indicated that Petitioner's biweekly pays were multiplied by 2 (to convert them to a monthly income) and then by 5 to calculate Petitioner's annual UCB. The result is \$ [REDACTED] in income UCB for Petitioner.

MDHHS also factored that Spouse had income of \$ [REDACTED] in January 2018. Petitioner did not dispute that Spouse received income.

MDHHS also factored Petitioner's employment income. MDHHS presented a copy of Petitioner's employment check dated May 9, 2018; Petitioner's biweekly gross income was \$ [REDACTED] MDHHS testimony indicated that Petitioner's biweekly pays were multiplied by 2 (to convert them to a monthly income) and then by 7 to calculate Petitioner's annual employment income. The result is \$ [REDACTED] in annual income for Petitioner.

Adding Petitioner's UCB income, Petitioner's employment income, and Spouse's income results in a total 2018 income of \$ [REDACTED] MDHHS actually calculated an income of \$ [REDACTED] (per MDHHS' Hearing Summary) for Petitioner's household. For purposes of this decision, the lower and Petitioner-favorable amount of \$ [REDACTED] will be accepted as proper.


HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. The 2018 federal poverty level is \$16,460 for a 2-person group. For Petitioner and Spouse to be eligible for HMP, countable income would have to fall at or below \$21,891. Petitioner's and Spouse's income exceeds HMP limits. Thus, MDHHS properly determined Petitioner and Spouse to be ineligible for HMP due to excess income.

Petitioner testified that her employment income has decreased since her HMP eligibility was terminated. Petitioner's testimony does not alter the termination of eligibility but may affect her future eligibility. Petitioner is encouraged to reapply for HMP benefits for reconsideration of HMP benefits based on her change in income.

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 and Spouse's HMP eligibility effective June 2018. 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

Sarah Johnson
MDHHS-Charlevoix/Emmett-Hearings

Petitioner

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

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