



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 15, 2018
MAHS Docket No.: 18-006151
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 August 9, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Christine Brown, hearing facilitator.

ISSUE

The issue is whether MDHHS properly determined Petitioner's and Petitioner's spouse's 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. At all relevant times, Petitioner's household included his spouse (hereinafter, "Spouse") and no minor children.
2. On May 11, 2018, Petitioner applied for MA benefits. (Exhibit A, pp. 4-21)
3. On May 25, 2018, MDHHS interviewed Petitioner concerning Petitioner's application. Petitioner reported that Spouse has two jobs. One job pays Spouse \$██████/hour for ██████ hours per week. Spouse's second job pays her \$██████/hour for ██████ hours per week. (Exhibit A, pp. 22-24)

4. On June 4, 2018, MDHHS determined Petitioner and Spouse were not eligible for HMP due to excess income. (Exhibit A, pp. 25-30)
5. On June 14, 2018, MDHHS received Petitioner's hearing request disputing the denial of MA benefits. (Exhibit A, p. 3)

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).

Medicaid is also known as Medical Assistance (MA). The Medicaid program comprises several sub-programs or categories. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105 (April 2017), p. 1.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*, p. 2.

Petitioner testified that he was diagnosed with cancer, and therefore, has a dire need for medical coverage. Though Petitioner's diagnosis justifies immense need for medical coverage, he is not eligible for a disability-related MA category until a relevant agency (e.g. Social Security Administration or MDHHS) finds Petitioner to be disabled. No evidence of such a finding was claimed by Petitioner.

The evidence indicated that Petitioner and Spouse were neither disabled, pregnant, lived with minor children, nor aged. Given the evidence, the only relevant MA category for which Petitioner or Spouse are potentially eligible is HMP.

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).

MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, pp. 25-30) dated June 4, 2018. The notice informed Petitioner and Spouse of a denial of HMP due to excess income.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Internal Revenue Code. 42 CFR 435.603(e). Federal regulations require MDHHS to determine a person's financial eligibility for HMP based on a person's "household income". 42 CFR 435.603(c). Household income is the sum of MAGI-based income for each household member. 42 CFR 435.603(d).

Financial eligibility for Medicaid for applicants, and other individuals not receiving Medicaid benefits at the point at which eligibility for Medicaid is being determined, must be based on current monthly household income and family size. 42 CFR 435.603(h)(1). 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. Such future increase or decrease in income or family size must be verified in the same manner as other income and eligibility factors, in accordance with the income and eligibility verification requirements at § 435.940 through § 435.965, including by self-attestation if reasonably compatible with other electronic data obtained by the agency in accordance with such sections. 42 CFR 435.603(h)(3).

MDHHS calculated Petitioner's group's income by multiplying Spouse's hourly wage by her weekly hours to convert the amount into a weekly income. This amount was calculated by four to convert weekly income into a monthly income. Finally, the monthly income was multiplied by 12 to convert the income to an annual income. Applying the calculations to Spouse's jobs results in an annual income of \$ [REDACTED]

Correspondence sent to Petitioner indicated that MDHHS calculated Petitioner's household income to be [REDACTED]. For purposes of this decision, the lower income amount (and more favorable amount for Petitioner) of \$ [REDACTED] will be accepted as correct.

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. Petitioner testimony questioned the accuracy of MDHHS' income calculation, though he acknowledged his wife's income was at least \$25,000 which is still above the HMP income limit. Given the evidence, it is found that MDHHS properly determined Petitioner and Spouse 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 properly denied Petitioner's and Spouse's application for HMP benefits dated May 11, 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

Randa Chenault
MDHHS-Oakland-3-Hearings

Petitioner

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