



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: August 17, 2018
MAHS Docket No.: 18-006376
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 via 3-way telephone conference on August 15, 2018, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly close Petitioner's Medicaid (MA) case?

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 MA under the Healthy Michigan Plan (HMP).
2. In her June 2017 MA application, Petitioner agreed to allow the Department to access her federal tax information for five (5) years to verify her income.
3. On May 4, 2018, the Department sent Petitioner a redetermination to her address of record.
4. On June 18, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that her MA case would close effective July 1, 2018 because she failed to return the redetermination form mailed to her to determine her continued eligibility for assistance.
5. On June 27, 2018, the Department received Petitioner's request for hearing disputing the Department's closure of her MA case.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

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.

Petitioner disputed the closure of her MA case. The Department explained that it closed Petitioner's MA case effective June 30, 2018 because Petitioner failed to timely return a completed redetermination. For MA, a redetermination is an eligibility review based on a reported change and a renewal is a full review of eligibility factors completed annually. BAM 210 (January 2018), p. 1. At the hearing, the Department explained that it sent Petitioner a redetermination form on May 4, 2018 and, based on the evidence presented by the Department that Petitioner had applied for MA in July 2017 and that her case closed due to nonreceipt of her "review paperwork," the form was sent to review ongoing eligibility, not because of a reported change. Therefore, the Department sought a renewal.

A complete redetermination/renewal is requested at least every 12 months to determine a client's ongoing eligibility for MA benefits. BAM 210, p. 3. MA benefits stop at the end of the benefit period unless a renewal is completed and a new benefit period is certified. BAM 210, p. 4. However, if a client receives MA benefits under a Modified Adjusted Gross Income (MAGI)-based MA category, which includes HMP, the client is eligible for passive renewal unless the individual has elected to opt out of allowing the Department to access her tax information to determine her ongoing MA eligibility. BAM 210, p. 1; BEM 137 (April 2018), p. 1. Under the passive renewal process, the Department may not request information from the MA beneficiary, including requiring completion of a renewal form, if the information is already available to the Department from its systems. BAM 210, p. 1. A client may select to opt in to allow the Department to access tax information to determine continuing eligibility up to a maximum of 5 years. BAM 210, p. 1. In the passive renewal process, the Department may request information from the recipient *only if* information has changed or is missing. BAM 210, p. 2. If information available to the Department is insufficient to renew MA eligibility, then the Department must send a pre-populated renewal form to the beneficiary and allow her 30 days to respond and return the renewal form. BAM 210, p. 2. The individual is not required to

take any action, such as signing or returning a notice, if there has been no change in circumstances. BAM 210, p. 2.

In this case, the Department testified that Petitioner was an MA recipient under HMP and that, at the time of her July 2017 MA application, she had opted in to allow the Department to access her federal tax information for five years, or until 2021. Therefore, unless the Department could show that there was changed or missing information in Petitioner's case, Petitioner was eligible for passive renewal. In the event that there was a change or missing information, the Department failed to show that it issued a prepopulated form requesting only the changed or missing information. Finally, even if Petitioner was required to complete a redetermination, the Department acknowledged at the hearing that Petitioner had timely submitted her redetermination on June 29, 2018, before her MA certification period expired.

Based on the evidence at the hearing, Petitioner was eligible for passive renewal and the Department failed to establish that she was required to submit a renewal form.

DECISION AND ORDER

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Petitioner's MA case effective July 1, 2018;
2. Process the case pursuant to the passive renewal process;
3. Provide Petitioner with MA coverage she is eligible to receive from July 1, 2018 ongoing; and
4. Notify Petitioner in writing of its decision.

AE/tm



Alice C. Elkin
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

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
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[REDACTED]

CC:

[REDACTED]
[REDACTED]