



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: August 20, 2018  
MAHS Docket No.: 18-006989  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Jeffrey Kemm

**HEARING DECISION**

Following Petitioner's July 3, 2018, request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on August 15, 2018, from Lansing, Michigan. Petitioner, [REDACTED] appeared and represented herself. Petitioner did not have any additional witnesses. Hearings Facilitator, Christine Brown, appeared for the Department.

One exhibit was admitted into evidence during the hearing. A 33-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

**ISSUE**

Did the Department properly find Petitioner's children ineligible for health care coverage under the MIChild program?

**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 is a teacher. Petitioner receives 22 biweekly checks from her employer each year.
2. On [REDACTED], 2018, Petitioner applied for health care coverage for her three children. Petitioner reported a group size of 5 and a biweekly income of \$2,260.27. Exhibit A, p. 9-23.
3. Petitioner provided two paycheck stubs to the Department to verify her income, and each stub showed she received a biweekly gross pay of \$2,626.45. Each stub

also stated “22 pays” to indicate that Petitioner received 22 paychecks. Exhibit A, p. 24.

4. On May 29, 2018, the Department issued a Health Care Coverage Determination Notice which notified Petitioner that her children were ineligible for health care coverage under the MICHild program because her income exceeded the limit. The Determination also notified Petitioner that her children were eligible for health care coverage with a \$3,098.00 monthly spenddown. Exhibit A, p. 1-6.
5. On July 3, 2018, Petitioner requested a hearing to dispute the Department’s decision to find her children ineligible for health care coverage under the MICHild program due to income. Petitioner asserted that the Department miscalculated her income.

### **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.

Health care coverage for children is available through the Healthy Kids and the MICHild programs. In order for an individual to be eligible for health care coverage under the Healthy Kids program, the individual must be under the age of 19 and the household income cannot exceed 160% of the Federal Poverty Level (FPL). BEM 131 (June 1, 2015), p. 1-2. In order for an individual to be eligible for health care coverage under the MICHild program, the individual must be under the age of 19 and the household income cannot exceed 212% of the FPL. BEM 130 (July 1, 2016), p. 1. The FPL for a household of five in 2018 is \$29,420.00. 83 FR 2642-2644 (January 18, 2018). Thus, the income limit for Healthy Kids is \$47,072.00, and the income limit for MICHild is \$62,370.40.

Here, the Department erroneously found that Petitioner’s annual household income was \$63,029.00. The Department calculated Petitioner’s annual household income by multiplying her biweekly gross pay of \$2,626.45 by 2 (for the number of pay periods each month) and then by 12 (for the number of months in a year), which resulted in \$63,029.00. Ordinarily, the Department’s calculation would have resulted in the correct annual income. However, Petitioner is a teacher and does not receive 26 biweekly

paychecks per year. Thus, when the Department calculated her annual income based on 26 biweekly paychecks per year, it resulted in an annual income greater than her true annual income. Petitioner only receives 22 biweekly paychecks per year, so Petitioner's true annual income is only \$57,781.90.

Petitioner's annual household income of \$57,781.90 is less than the MICHild income limit of \$62,370.40, so the Department erroneously determined that Petitioner's income exceeded the limit for coverage under the MICHild program.

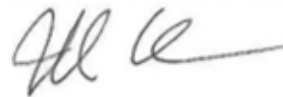
For these reasons, I must find that the Department's May 29, 2018, Determination was not in accordance with the Department's policies and the applicable law. Therefore, it must be reversed.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department's May 29, 2018, Determination was not in accordance with its policies and the applicable.

IT IS ORDERED the Department's May 29, 2018, Determination is **REVERSED**.

IT IS FURTHER ORDERED that the Department shall initiate a review health care coverage under the MICHild program for Petitioner's children based on her true annual income.



JK/nr

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Jeffrey Kemm  
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  
25620 W. 8 Mile Rd  
Southfield, MI  
48033

Oakland 3 County DHHS- via electronic  
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BSC4- via electronic mail

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**Petitioner**

[REDACTED]  
[REDACTED], MI  
[REDACTED]