



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: September 12, 2018  
MAHS Docket No.: 18-007779  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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 September 10, 2018, from Detroit, Michigan. The Petitioner was self-represented and appeared with a witness, Angelo Binno. The Department of Health and Human Services (Department) was represented by Christine Brown, Hearing Facilitator.

**ISSUE**

Did the Department properly deny Petitioner's application for Medical Assistance (MA) Program Healthy Michigan Plan (HMP) benefits?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On June 28, 2018, the Department received Petitioner's application for MA benefits
2. On July 17, 2018, the Department issued a Health Care Coverage Determination Notice (HCCDN) informing Petitioner that he was not eligible for MA benefits because he is not under age 19, not pregnant, not a parent or caretaker of someone under age 19, not in a foster care at age 18, his income exceeded the income limit for his group size in the HMP, was not under age 21, and was not blind or disabled.

3. On July 30, 2018, the Department received Petitioner's request for hearing disputing the denial of MA coverage.

### **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.

In this case, Petitioner applied for MA benefits on June 28, 2018, listing his income as \$█████ per month from self-employment; the Department took that information and denied Petitioner's application for MA benefits indicating he was over the income limit for HMP, but never verified any of his income information before its decision.

MA is available (i) to individuals who are aged (65 or older), blind or disabled under Supplemental Security Income (SSI)-related categories, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. BEM 105 (April 2017), p. 1.

HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137 (April 2018), p. 1; MPM, Healthy Michigan Plan, § 1.1. A determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents.

No evidence was presented that Petitioner is over age 64, that he was enrolled in Medicare, or that he was a caretaker of any minor children. Therefore, he is potentially eligible for MA under the HMP. Petitioner is single and has no dependents. The household for a tax filer, who is not claimed as a tax dependent includes the individual, their spouse, and tax dependents. BEM 211 (January 2016), pp. 1-2. Therefore, Petitioner's MA group size is one. 133% of the FPL for a group size of 1 is \$16,146.20.

<https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$16,146.20 for a group size of one.

Petitioner's income as listed on his application is more than \$8,000 less than the HMP income limit. Therefore, the Department erred in denying Petitioner MA benefits based upon the information in his application.

However, the Department is required in all programs except for children under age 19 to verify non-excluded income at application prior to authorizing benefits. BEM 500 (July 2017), p. 13. The Department is required to use available electronic methods such as a consolidated inquiry or a State Online Query to verify income. BEM 500, p. 14. When the electronic verification is not available or inconsistent with the client's statements, the client has the responsibility to obtain verification. *Id.* However, the Department is required to tell the client what verification is required, how to obtain it, and the due date. BAM 130 (April 2017), p. 3. Typically, the Department utilizes a Verification Checklist (VCL). *Id.*

In this case, the Department did not issue a VCL. The Department may have found income from the consolidated inquiry; however, if the income was so significant as to make Petitioner ineligible for benefits, a significant disparity was created between Petitioner's statements on his application and the consolidated inquiry. The Department was required to consult Petitioner and verify his circumstances before the decision to deny his application. The Department did not act in accordance with Department policy.

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 did not act in accordance with Department policy when it denied Petitioner's application for MA benefits without seeking verification from Petitioner of his income.

### **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 application for MA benefits from June 28, 2018;
2. Redetermine Petitioner's eligibility for MA benefits;
3. If Petitioner is eligible for benefits, issue a supplement to Petitioner or on Petitioner's behalf for benefits not previously received in accordance with Department policy; and,

4. Notify Petitioner in writing of its decision.



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**Amanda M. T. Marler**  
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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