



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

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

Date Mailed: October 18, 2018
MAHS Docket No.: 18-008707
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on September 27, 2018, from Lansing, Michigan. Petitioner represented himself. The Department of Health and Human Services was represented by Rechela Hall.

ISSUE

Did the Department of Health and Human Services (Department) properly denied Petitioner's application for Medical Assistance (MA)?

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's wife received earned income in the gross bi-weekly amounts of \$[REDACTED] on July 20, 2018, and \$[REDACTED] on August 3, 2018. Exhibit A, pp 8-9.
2. Petitioner provided the Department with a copy of a bank statement showing a savings account with a balance of \$[REDACTED] available to Petitioner's wife, as of January 16, 2018. Exhibit A, p 12.
3. Petitioner reported to the Department that he was receiving a pension in the gross monthly amount of \$[REDACTED] and family contributions in the gross monthly amount of \$[REDACTED]. Exhibit A, p 11.
4. Petitioner provided a copy of an investment account with a balance of \$[REDACTED] available to Petitioner, as of January 31, 2018. Exhibit A, p 14.

5. On August 9, 2018, the Department received a New Hire Client Notice (DHS-4635) showing that Petitioner's wife expected to work 24 hours per week at a rate of \$ [REDACTED] per hour. Exhibit A, pp 15-16.
6. On August 15, 2018, the Department notified Petitioner that his wife is not eligible for Medical Assistance (MA) effective September 1, 2018, and that Petitioner is eligible. Exhibit A, pp 6-7.
7. On August 24, 2018, the Department received Petitioner's request for a hearing protesting the denial of his application for Medical Assistance (MA). Exhibit A, pp 4-5.

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.

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 or the least amount of excess income. Department of Health and Human Services Bridges Eligibility Manual (BEM) 105 (April 1, 2017), p 2.

Petitioner is not eligible for MA benefits under the Healthy Michigan Program (HMP) because he is not 19-64 years of age. Department of Health and Human Services Bridges Eligibility Manual (BEM) 137 (April 1, 2018), p 1.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. Department of

Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016), pp 3-4.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5% disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.¹

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

Petitioner's wife received earned income in the gross monthly amount of \$[REDACTED] in August of 2018. Petitioner reported to the Department that he received a \$[REDACTED] pension payment and family contributions of \$[REDACTED]. Petitioner testified that his income has changed since then, but did not dispute that he reported receiving income to the Department on his application for assistance. Petitioner's wife is not eligible for HMP benefits as a group of three because the group's monthly income exceeds 133% of the federal poverty level, which is \$2,303.12 per month for a group of three in 2018, and the 5% disregard does not make her eligible for HMP benefits.

Assets means cash, any other personal property and real property. Real property is land and objects affixed to the land such as buildings, trees and fences. Condominiums are real property. Personal property is any item subject to ownership that is not real property. Countable assets cannot exceed the applicable asset limit. An asset is countable if it meets the availability tests and is not excluded. Available means that someone in the asset group has the legal right to use or dispose of the asset. Department of Human Services Bridges Eligibility Manual (BEM) 400 (January 1, 2018), pp 1-7.

Petitioner reported countable assets in excess of \$3,000. Petitioner's wife is not eligible for MA benefits as a caretaker relative because she has available countable assets exceeding \$3,000. BEM 400.

The Department's representative testified that a child living in Petitioner's home is eligible for MA benefits.

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

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 acted in accordance with Department policy when it denied Medical Assistance (MA) benefits for Petitioner and his wife based on their available income and assets.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/hb



Kevin Scully
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 County (District 3), DHHS

BSC4 via electronic mail

D. Smith via electronic mail

EQADHShearings via electronic mail

Petitioner

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