



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
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Date Mailed: March 6, 2019
MAHS Docket No.: 18-013787
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 March 4, 2019, from Detroit, Michigan. The Petitioner is actually [REDACTED], [REDACTED] wife. Mrs. [REDACTED] requested the hearing and appeared for the hearing to dispute MA benefits for herself, but she listed her husband's name at the top of the Request for Hearing. Therefore, the case was listed under Mr. [REDACTED] name instead of Mrs. [REDACTED]. The Department of Health and Human Services (Department) was represented by Abidul Kamali, Eligibility Specialist, and Vickie Crudup, Assistance Payments Supervisor.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) Program Healthy Michigan Plan (HMP) 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. In October 2018, Petitioner began working for [REDACTED] and received gross wages of \$[REDACTED] for October 2018, \$[REDACTED] for November 2018, and \$[REDACTED] for December 2018.
2. On November 29, 2018, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner's husband notifying him that Petitioner was not eligible for MA benefits, effective January 1, 2019, because she was not

under age 21, not pregnant, not a parent or caretaker of a dependent child, was not disabled, not blind, not over age 65, and had excess income for the Healthy Michigan Plan (HMP).

3. In December 2018, Petitioner began working as a CDC Provider earning \$[REDACTED] per month and informed the Department.
4. After the HCCDN was issued, the Department received the change report from Petitioner and her husband related to their income.
5. On December 26, 2018, Petitioner requested a hearing to dispute the closure of her MA benefits.
6. Effective January 2019, Petitioner's husband began receiving Retirement Survivors Disability Insurance (RSDI) in the amount of \$[REDACTED] per month.
7. On January 3, 2019, the Department processed the reported changes and issued another HCCDN indicating that Petitioner was not eligible for MA benefits effective February 1, 2019, for the same reasons.

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, the Department closed Petitioner's MA HMP benefits due to excess income. Medicaid is available (i) under Supplemental Security Income (SSI)-related categories to individuals who are aged (65 or older), blind or disabled, (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.

At the hearing, a question arose as to whether Petitioner was considered disabled or not. A review of Petitioner's last application for MA benefits dated September 12, 2016, shows that Petitioner did not claim a disability. Since Petitioner did not claim a disability on the application, the Department did not evaluate Petitioner for MA eligibility in any disability-related MA program. Therefore, based upon the evidence presented and available to the Department at the time of its decision, if Petitioner was eligible for any of the programs, she would be eligible for the HMP based upon the nonfinancial eligibility factors.

HMP uses a Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (April 2018), p. 1. An individual is eligible for HMP if her household's income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size. BEM 137, p. 1. An individual's group size for MAGI-related purposes requires consideration of the client's tax filing status. The household for a tax filer, who is not claimed as a tax dependent consists of: (i) the individual; (ii) the individual's spouse; and (iii) the individual's tax dependents. BEM 211 (January 2016), pp. 1-2. The household for a non-tax filer who is not claimed as a dependent, consists of the individual, and if living within the individual, their spouse, nature/adopted/step children under the age of 19 or 21 if a full-time student. BEM 211, p. 2. In this case, evidence was presented that Petitioner is married, but no evidence was presented of any dependents. Therefore, in determining Petitioner's MA status, Petitioner has a group size of two.

133% of the annual FPL in 2018 effective through January 11, 2019, for a household with two members is \$21,891.20. See <https://aspe.hhs.gov/poverty-guidelines> and <https://aspe.hhs.gov/2018-poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual household income cannot exceed \$21,891.20. To determine financial eligibility under HMP, income must be calculated in accordance with MAGI rules under federal tax law. BEM 500 (July 2017), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1.

In order to determine income in accordance with MAGI rules, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. It is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, child care, or retirement savings. This figure is multiplied by the number of paychecks the client expects in 2019 to estimate income for the year. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

Petitioner agreed that effective January 2019, her husband received \$[REDACTED] as his RSDI benefit. She also agreed that she had income from employment from Employer 1

and Employer 2. Since the Department made its initial evaluation of eligibility in November 2018 for January 2019, and because Petitioner had not yet started employment with Employer 2 at the time of the evaluation, only Employer 1's income will be considered for this decision. Petitioner had earnings of \$[REDACTED] in October and \$[REDACTED] in November. Since she began her employment in October and she did not work a full month, October's wages do not accurately represent Petitioner's monthly income and will not be considered in determining her annual wages. Multiplying Petitioner's November 2018 wages by 12, her expected annual income is \$[REDACTED]. Adding Petitioner's income to her husband's, the total household income is \$[REDACTED]. The group income is greater than the HMP income limit; therefore, Petitioner is not eligible for HMP MA coverage.

If an individual's group income is within 5% of the FPL for the applicable group size, a disregard is applied in order to make the person eligible for MA. MREM, § 7.2. 5% of the FPL for a two-person group is \$823.00. Even after consideration of the 5% disregard, Petitioner does not meet the HMP income eligibility requirements.

The Department's January 2019 HCCDN denying Petitioner's MA benefits was issued after Petitioner's Request for Hearing in December 2018. As a result, the January 2019 HCCDN was not the basis of Petitioner's request for hearing and is not addressed here.

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 closed Petitioner's MA HMP case due to excess income.

DECISION AND ORDER

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



AMTM/jaf

Amanda M. T. Marler
Administrative Law Judge
for Robert Gordon, 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

Montrece White
MDHHS-Macomb-20-Hearings

Authorized Hearing Rep.

Novella Pilot
22055 Elmwood Ave
Eastpointe MI 48021

Petitioner

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

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