



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]

Date Mailed: March 18, 2019
MAHS Docket No.: 19-000789
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 on March 15, 2019, from Detroit, Michigan. Petitioner appeared and represented himself. 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. Petitioner is not disabled, blind, over age 65, under age 19, or the parent of minor children, and there was no evidence that he was a Medicare recipient.
3. Petitioner is the sole member of his household.
4. In December 2018, the Department became aware that Petitioner had an increase in employment income and on December 26, 2018 sent him a Verification Checklist (VCL) requesting proof of all income for the last 30 days by January 7, 2019 (Exhibit A, pp. 1-2).

5. Petitioner responded by timely providing the following paystubs from [REDACTED] (Employer 1): a November 30, 2018 paystub showing gross pay of [REDACTED] and a December 14, 2018 paystub showing gross pay of [REDACTED] (Exhibit A, pp. 3-4).
6. On January 16, 2019, the Department sent Petitioner a Health Care Coverage Determination Notice notifying him that, effective March 1, 2019, his MA case would close because he had excess income for HMP and he did not meet any of the other criteria for eligibility. The notice also advised Petitioner that he had failed to submit proof of income or loss of employment for a second employer on file, [REDACTED] (Employer 2). (Exhibit A, pp. 5-6).
7. On January 24, 2019, the Department received Petitioner's request for hearing, disputing the closure of his 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 requested a hearing to dispute the closure of his MA case. The Department explained that Petitioner's MA case was closed because Petitioner had provided verification of his employment with Employer 1 and, because he had not verified his income, or loss of income, from Employer 2, when his employment income from Employer 1 with his continuing income from Employer 2 was added together, he had excess income for HMP eligibility.

HMP is a Modified Adjusted Gross Income (MAGI)-related MA category that 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 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. Because Petitioner was not blind, disabled, over age 65,

under age 19, a Medicare recipient, or the parent of minor children, he was potentially eligible for MA under only the HMP program.

An individual is income-eligible for HMP if his 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 purposes requires consideration of the client's tax filing status or, if not a tax filer, the individual's household. Petitioner, who lived alone and had no dependent children, had a household size of one for purposes of determining eligibility for HMP. BEM 211 (January 2016), pp. 1-2. For a single-person group, 133% of the FPL for HMP eligibility was \$16,146.20. <https://www.healthcare.gov/glossary/federal-poverty-level-FPL/>. A 5% disregard, which may be applied to make someone MA eligible, raises the applicable FPL limit by 5%. BEM 500, p. 5. This would raise the income limit for HMP eligibility to \$16,735.20.

Here, the Department received Petitioner's income from Employer 1, and because Petitioner had not notified the Department that his employment with Employer 2 was seasonal and had ended and provided no verification of the same in response to the VCL, it added this income from Employer 1 to the previously budgeted income from Employer 2. The sum of Petitioner's monthly income from Employer 1 and Employer 2 totaled [REDACTED]. This income, multiplied by 12, resulted in annual income of [REDACTED] which exceeded the income limit for HMP eligibility. Thus, the Department properly concluded that Petitioner was ineligible for HMP based on the information it had available at the time it recalculated his income.

At the hearing, Petitioner explained that he believed that the Department was aware that his employment with Employer 2 was seasonal because of the letter Employer 2 provided to the Department in June 2018, but the Department showed that the letter did not disclose the seasonality of the employment (Exhibit B). The Department admitted it received a February 4, 2019 letter from Employer 2 that indicated that Petitioner was not then employed with Employer 2 although he would return to work in July 2018. Because this letter was received after the VCL due date and after the negative action period of the January 16, 2019 Health Care Coverage Determination Notice, the Department could not act on the new information to reopen his existing case. BAM 220 (January 2019), p. 13; BAM 130 (April 2017), p. 8.

Petitioner was advised to reapply with this new information.

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 case.

DECISION AND ORDER

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



AE/tm

Alice C. Elkin

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

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

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]

cc:

[REDACTED]
[REDACTED]