



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]
Date Mailed: April 9, 2019
MAHS Docket No.: 19-001717
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 April 3, 2019, from Detroit, Michigan. Petitioner appeared and was unrepresented. [REDACTED], Petitioner's friend appeared as an as-needed translator for Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Eric Murphy, specialist.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's spouse's Medicaid eligibility.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of February 2019, Petitioner's spouse (hereinafter, "Spouse") was not pregnant, not disabled, not a caretaker to minor children, and between the ages of 19-64 years.
2. As of February 2019, Spouse was an ongoing recipient of Medicaid through the Healthy Michigan Plan (HMP) category.
3. As of February 2019, Petitioner received gross RSDI of \$1,894/month.

4. On February 1, 2019, MDHHS terminated Spouse's Medicaid eligibility effective March 2019.
5. On February 14, 2019, Petitioner requested a hearing to dispute the termination of Spouse's Medicaid eligibility.

CONCLUSIONS OF LAW

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner's hearing request expressed a need for an Arabic translator. During the hearing, Petitioner testified that he preferred to proceed using a translator only for statements that Petitioner had difficulty understanding. The hearing proceeded with use of an as-needed translator for Petitioner.

Petitioner requested a hearing to dispute a termination of Spouse's Medicaid benefits. A Health Care Coverage Determination Notice (HCCDN) dated February 1, 2019, stated that Spouse was ineligible for Medicaid under various categories, including HMP.

Medicaid is also known as Medical Assistance (MA). BEM 105 (April 2017), p. 1. The Medicaid program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

As of the hearing date, Spouse was not pregnant, not disabled, not a caretaker to minor children, and between the ages of 19-64 years. Spouse's circumstances appear to render her ineligible for all MA categories other than HMP. The HCCDN stated that Petitioner was ineligible for HMP due to excess income.

HMP is a health care program administered by the Michigan Department of Community Health, Medical Services Administration. The program is authorized under the

Affordable Care Act of 2010 as codified under 1902(a)(10)(A)(i)(VIII) of the Social Security Act and in compliance with the Michigan Public Act 107 of 2013. HMP policies are found in the Medicaid Provider Manual and Modified Adjusted Gross Income Related Eligibility Manual (MAGIM).

HMP is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (October 2016), p. 1. Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. MAGIM (May 28, 2014), p. 14. It is based on federal tax rules for determining adjusted gross income. *Id.* It eliminates asset tests and special deductions or disregards. *Id.* Every individual is evaluated for eligibility based on MAGI rules. *Id.*

For individuals who have been determined financially-eligible for MA using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603 (h)(2). In determining current monthly or projected annual household income and family size under paragraphs (h)(1) or (h)(2) of this section, the agency may adopt a reasonable method to include a prorated portion of reasonably predictable future income, to account for a reasonably predictable increase or decrease in future income, or both, as evidenced by a signed contract for employment, a clear history of predictable fluctuations in income, or other clear indicia of such future changes in income. 42 CFR 435.603 (h)(3).

In calculating Petitioner's income-eligibility for HMP, MDHHS relied on Petitioner's undisputed gross RSDI income of \$1,894/month. MDHHS multiplied Petitioner's monthly RSDI by 12 to convert the income into an annual income of \$22,728.

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014), p. 1. Petitioner is married, and therefore, a member of a 2-person group (see BEM 211). The 2019 federal poverty level is \$16,910 for a two-person group.¹ For Spouse to be eligible for HMP, countable income would have to fall at or below \$22,490.30.²

Consideration was given to whether Petitioner's monthly payment of a Medicare premium was an expense that could reduce Petitioner's MAGI-related income. Reductions to MAGI-related income appear to include 401k contributions, IRA contributions, student loan interest, self-employment taxes, alimony expenses. Medicare payments do not appear to reduce MAGI-related income.

Based on the evidence, Petitioner's group's income exceeds HMP limits. Thus, MDHHS properly determined Spouse to be ineligible for HMP due to excess income. As Spouse is

¹ <https://aspe.hhs.gov/2019-poverty-guidelines>

² The HCCDN stated that Petitioner's income could not exceed \$21,891.80 for a non-pregnant person between the ages of 19-64. The income limit appeared to be based on 2018 federal poverty levels. Because Spouse's eligibility for March 2019 was terminated, the above analysis considers 2019 federal poverty levels.

ineligible for all other Medicaid categories, MDHHS properly determined that Spouse was ineligible for Medicaid.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Spouse's Medicaid eligibility effective March 2019. The actions taken by MDHHS are **AFFIRMED**.

CG/cg



Christian Gardocki

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

Via Email:

MDHHS-Wayne-17-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MAHS

Petitioner – Via First-Class Mail:

[REDACTED]
[REDACTED]
[REDACTED]