



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

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Date Mailed: April 23, 2019
MOAHR Docket No.: 19-002366
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 April 17, 2019, from Detroit, Michigan. The Petitioner was self-represented and appeared with her husband as a witness. The Department of Health and Human Services (Department) was represented by Erica Adams, Assistance Payments Worker. Translation services were provided by Abidul Kamali, a Department Eligibility Specialist.

ISSUE

Did the Department properly deny Petitioner's Medical Assistance (MA) Program 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. On February 1, 2019, Petitioner submitted an application for MA benefits which indicated that she was a Lawful Permanent Resident and that she was pregnant.
2. On February 11, 2019, the Department received a completed Health Care Coverage Supplemental Questionnaire and paystubs from Petitioner which indicated that both Petitioner and her husband were employed.

3. On February 19, 2019, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that she was denied MA benefits effective February 1, 2019 because she had excess income.
4. On March 4, 2019, the Department received a request for hearing disputing the Department's denial of MA benefits for Petitioner.

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 was denied MA benefits due to excess income. MA is available (i) to individuals who are aged (65 or older), blind or disabled under 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.

As a pregnant woman, the most beneficial category and highest income eligibility threshold is under the Pregnant Women MA (PGW) or Maternity Outpatient Medical Services (MOMS) categories. MOMS is a category for pregnant women who are only eligible for Emergency Services Only medical coverage based upon their immigration status. MREM, §§ 3.3, 1.2. The income limit for both is 195% of the Federal Poverty Level (FPL). BEM 125 (January 2016), p. 1. The FPL for a group size of one is \$12,490.00 and for a group size of two is \$16,910.00. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, the PGW and MOMS have an income limit for a group size of one of \$24,355.50 and for a group size of two of \$32,974.50.

PGW and MOMS are MAGI MA programs. A determination of group size under the MAGI methodology requires consideration of the client's tax status and 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. Petitioner's application lists herself and her husband; therefore, she has a group size of two and must have income less than \$[REDACTED] annually or \$[REDACTED] per month.

To determine financial eligibility under PGW and MOMS, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (July 2017), p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, the Department bases financial eligibility on current monthly household income. MAGI is calculated by reviewing the client's adjusted gross income (AGI) and adding it to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS Tax Form 1040 at line 37, Form 1040 EZ at line 4, and Form 1040A at line 21. Alternatively, 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 deducts for health coverage, child care, or retirement savings. This figure is multiplied by the number of paychecks the client expects during the year to estimate income for the entire year. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>. In situations where income is difficult to predict because of unemployment, self-employment, commissions, or a work schedule that changes regularly, income should be estimated based upon past experiences, recent trends, possible changes in the workplace, and similar information. *Id.*

Petitioner provided paystubs showing that she had wages of \$[REDACTED] for pay date December 28, 2018, and \$[REDACTED] for pay date January 11, 2018. Therefore, Petitioner's monthly income was \$[REDACTED]. Her husband's paystubs show that he had gross wages of \$[REDACTED] for pay date February 7, 2019; \$[REDACTED] for pay date January 31, 2019; and \$[REDACTED] for pay date January 24, 2019. However, Petitioner's husband receives deductions for dental, medical, vision, and a 401K. When calculating MAGI, the calculation must consider these items. Therefore, his income is reduced to \$[REDACTED] for February 7th, \$[REDACTED] for January 31st, and \$[REDACTED] for January 24th.

When Petitioner's income and her husband's income are added together, the total household income is \$[REDACTED] which is significantly greater than the PGW and MOMS income limit.

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 Petitioner's application for MA coverage.

DECISION AND ORDER

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



AMTM/

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

Montrece White
MDHHS-Macomb-20-Hearings

Authorized Hearing Rep.

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Petitioner

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