



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: June 12, 2019
MOAHR Docket No.: 19-004062
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: John Markey

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 June 5, 2019, from Detroit, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Valarie Foley, Hearing Foley. During the hearing, a 14-page packet of documents was offered and admitted as Exhibit A, pp. 1-14.

ISSUE

Did the Department properly close Petitioner's Medicaid (MA) benefits case, effective May 1, 2019?

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 benefits from the Department under the full-coverage Healthy Michigan Plan (HMP). He is a non-disabled adult male under the age of 65 who lives alone.
2. In March 2019, Petitioner began working full-time for [REDACTED] at a rate of pay of \$9.25 per hour. Petitioner typically worked 40 hours per week. This income represented a substantial increase from what he was previously earning and what was budgeted in determining Petitioner's MA benefits eligibility.

3. In [REDACTED] 2019, Petitioner submitted to the Department an application for Food Assistance Program (FAP) benefits. Petitioner indicated on that application that he was working full-time for [REDACTED], which had previously not been disclosed to the Department.
4. When the Department processed the application, it added Petitioner's income from [REDACTED] to Petitioner's case. With the increase in income factored into the equation, the Department found that Petitioner was no longer income eligible for MA benefits.
5. On April 12, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that his MA benefits case was closing, effective May 1, 2019, as a result of the Department's determination that Petitioner's income exceeded the limit for program eligibility. Exhibit A, pp. 4-6.
6. Shortly thereafter, Petitioner separated from his employment with [REDACTED] and has remained unemployed with no income through the date of the hearing.
7. On [REDACTED], 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's closure of his MA benefits 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.

In this case, Petitioner was an ongoing recipient of full-coverage MA benefits under the HMP until his MA benefits case closed, effective May 1, 2019, as a result of the Department's conclusion that Petitioner's income exceeded the limit for program eligibility. The Department's conclusion was based on information regarding new employment and income that Petitioner disclosed on an [REDACTED] 2019 application for FAP benefits. The information includes Petitioner's self-attestation that he worked approximately 40 hours per week at an hourly rate of pay of \$9.25 in addition to paystubs submitted by Petitioner.

HMP is a 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 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 (January 2019), p. 1.

Petitioner is under age 64, not disabled, and not enrolled in Medicare. Thus, he is potentially eligible for MA under the HMP if the household's income does not exceed 133% of the FPL applicable to the individual's group size. In this case, Petitioner does not have any other group members. Thus, the evidence suggests that Petitioner's household size for MAGI purposes is one. 42 CFR 435.603(f).

133% of the annual FPL for a household with one member is \$16,611.70. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's household annual MAGI cannot exceed \$16,611.70. This figure breaks down a monthly income threshold of \$1,384.31.¹ To determine financial eligibility under HMP, 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), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. Effective November 1, 2017, when determining eligibility for ongoing recipients of MAGI related MA, the State of Michigan has elected to base financial eligibility on current monthly income and family size. https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf. However, in determining current monthly income, the Department must account for reasonably predictable decreases in income. *Id.*

As Petitioner was an ongoing recipient of MA benefits under the HMP, the Department determined Petitioner's financial eligibility on currently monthly income and family size. The information presented in association with the April 2019 FAP application indicated that Petitioner was earning well over the income threshold at the time his eligibility was assessed. Petitioner's self-attested income consisted of full-time work at 40 hours per week and an hourly rate of pay of \$9.25. That comes to a weekly wage of \$370. \$370 multiplied by four equals \$1,480, which is above the limit. The earnings statements submitted demonstrate that Petitioner had even higher earnings than what was reported on the application. Additionally, there was no indication that the earnings were going to decrease. Accordingly, Petitioner's current monthly income at the time it was assessed was properly determined to be higher than the threshold for program eligibility. Because Petitioner was not income eligible for HMP at the time and was not eligible for any other MA program, the Department appropriately closed his case, effective May 1, 2019.

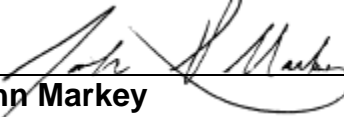
¹ \$16,611.70 divided by twelve.

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 benefits case, effective May 1, 2019.

DECISION AND ORDER

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

JM/cg



John Markey
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

Via Email:

MDHHS-Wayne-19-Hearings
D. Smith
EQAD
BSC4- Hearing Decisions
MOAHR

Petitioner – Via First-Class Mail:

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