



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR



Date Mailed: January 4, 2018
MAHS Docket No.: 17-013627
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on December 6, 2017, from Lansing, Michigan. The Petitioner represented herself. The Department was represented by Stephanie Moore, Hearing Facilitator.

ISSUE

Did the Department of Health and Human Services (Department) properly close Petitioner's Medical Assistance (MA) benefits?

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 [REDACTED], 2017, the Department received Petitioner's application for Medical Assistance (MA) benefits as a group of two. Exhibit A, pp 3-20.
2. On August 21, 2017, the Department notified Petitioner that her application for Medical Assistance (MA) was approved. Exhibit A, pp 24-29.
3. On September 5, 2017, the Department requested that Petitioner provide verification of household income by September 15, 2017. Exhibit A, pp 31-32.
4. Petitioner's husband is employed and received earned income in the gross amounts of \$1,385.66 on September 2, 2017, \$1,095.19 on August 19, 2017, \$1,111.57 on September 16, 2017. Exhibit A, pp 33-34.
5. On September 22, 2017, the Department notified Petitioner that she was not

eligible for Medical Assistance (MA) effective November 1, 2017. Exhibit A, pp 37-45.

6. On October 10, 2017, the Department received Petitioner's request for a hearing protesting the closure of her Medical Assistance (MA) benefits. Exhibit A, pp 47-48.

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.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. Department of Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016), pp 3-4.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5%

disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.¹

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

Petitioner was approved for MA benefits under the HMP category when the Department requested verification of her household income. Petitioner provided copies of paycheck stubs showing that Petitioner's husband received earned income in the gross amounts of \$1,385.66 on September 2, 2017, \$1,095.19 on August 19, 2017, \$1,111.57 on September 16, 2017.

The 2017 federal poverty level for a group of two is \$1,799.93 per month. Based on the evidence and testimony available during the hearing, Petitioner and her husband receive gross monthly income that exceeds 133% of the federal poverty level and reducing that income by the 5% disregard does not make them eligible for MA benefits. Therefore, Petitioner is not eligible for HMP benefits based on her household income.

MA benefits under the "Flint Water Group" is available to any individual under the age of 21, pregnant women, and children born to pregnant women who have been served by the Flint water system from April 2014 to the time the water is deemed safe by the proper authorities. Department of Health and Human Services Bridges Eligibility Manual (BEM) 148 (May 1, 2016), p 1.

The Department does not dispute that Petitioner's husband is a person served by the Flint water system because he had employment by an entity served by the Flint water system, but Petitioner and her husband do not qualify for medical assistance under the Flint Water Group because neither of them are under the age of 21 or pregnant.

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 Medical Assistance (MA) benefits effective November 1, 2017.

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/nr



Kevin Scully
Administrative Law Judge
for Nick Lyon, 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) 335-6088; 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

Stephanie Rockwell
1365 Cleaver Road
Caro, MI
48723

Tuscola County DHHS- via electronic mail

BSC2- via electronic mail

M. Best- via electronic mail

EQAD- via electronic mail

Petitioner

