



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: December 21, 2018
MAHS Docket No.: 18-010675
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 December 20, 2018, from Lansing, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Christina Williams, Hearings Facilitator. During the hearing, a 14-page packet of documents was offered and admitted as Exhibit A, pp. 1-14.

ISSUE

Did the Department properly follow Department policy when it closed Petitioner's Medicaid (MA) benefits case, effective August 1, 2018?

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 MA beneficiary under the Healthy Michigan Plan (HMP).
2. The Department received a Wage Match showing that Petitioner potentially earned more income than what the Department was considering when determining that Petitioner was eligible for MA benefits.
3. On April 24, 2018, the Department issued to Petitioner a Wage Match Client Notice informing Petitioner that the Department was aware of additional income that Petitioner was earning. Petitioner was required to fill out the form and return it to the Department by May 24, 2018. Exhibit A, pp. 4-5.

4. On May 23, 2018, Petitioner returned to the Department the completed Wage Match Client Notice. On the returned form, Petitioner stated that she worked 40 hours per week at an hourly rate of \$11.75. Petitioner also provided wage records showing that she earned approximately \$940 every two weeks. Exhibit A, pp. 4-6.
5. On July 20, 2018, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that her MA case was closing effective August 1, 2018 as a result of Petitioner not meeting the income eligibility requirements. Exhibit A, pp. 11-14.
6. On October 9, 2018, Petitioner submitted to the Department a request for hearing objecting to the Department's closure of her 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.

In this case, Petitioner was an ongoing MA beneficiary under the HMP plan. In April 2018, the Department received notification from a wage cross-match system that Petitioner potentially had more income than what the Department was aware of. As a result, the Department sent to Petitioner an April 24, 2018 Wage Match Client Notice informing Petitioner that the Department had reason to believe that her income was greater than previously reported and requiring Petitioner to provide additional information regarding her income. On May 23, 2018, Petitioner returned the completed Wage Match Client Notice and supporting documentation to the Department. The submission showed that Petitioner worked 40 hours per week earning an hourly rate of \$11.75. Upon processing Petitioner's submission, the Department issued to Petitioner a July 20, 2018 Health Care Coverage Determination Notice informing Petitioner that she was ineligible for MA benefits because her income exceeded the limit for eligibility for MA coverage under HMP.

HMP uses a Modified Adjusted Gross Income (MAGI) methodology to determine financial eligibility. BEM 137 (April 2017), p. 1. An individual is eligible for HMP if her household's income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size, which in this case is a group size of one. BEM

137, p. 1. 133% of the annual FPL in 2018 for a household with one member is \$16,146.20. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$16,146.20.

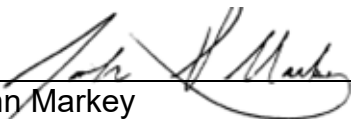
During the hearing, Petitioner conceded that during the relevant time period, she was working approximately 40 hours per week at an hourly rate of \$11.75. Thus, on an average week throughout the entire year of 2018, Petitioner earned about \$470. As Petitioner consistently worked those hours, Petitioner's annual income was approximately \$24,440. Per month, Petitioner earned about \$2,036. Petitioner's income is substantially higher than the limit for MA eligibility. Thus, the Department properly closed Petitioner's MA case for having excess income.

DECISION AND ORDER

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 August 1, 2018.

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

JM/nr



John Markey
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) 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

Jeanenne Broadnax
25637 Ecorse Rd.
Taylor, MI
48180

Wayne 18 County DHHS- via electronic
mail

BSC4- via electronic mail

D. Smith- via electronic mail

EQAD- via electronic mail

Petitioner

