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GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: February 26, 2019
MAHS Docket No.: 18-012833
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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, an in-person hearing was held on February 14, 2019, from Detroit, Michigan. Petitioner represented herself. [REDACTED], Petitioner's husband was present at the hearing. The Department of Health and Human Services (Department) was represented by [REDACTED] Assistance Payments Supervisor and [REDACTED] Eligibility Specialist.

ISSUE

Did the Department properly determine that Petitioner's group was ineligible for Medical Assistance (MA) benefits under the Healthy Michigan Plan (HMP) effective December 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. On or about [REDACTED] 2018, Petitioner submitted a Redetermination.
2. Petitioner provided a copy of her 2017 federal tax returns as well as the tax returns of her husband.
3. The tax returns show Petitioner's income as \$ [REDACTED] and her husband's income as \$ [REDACTED] with a household size of three.
4. On November 16, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice which notified Petitioner that her group was ineligible for MA benefits effective December 1, 2018.

5. On November 28, 2018, Petitioner filed a Request for Hearing disputing the Department's actions.

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.

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 (January 2016), p. 1.

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 2016), p. 1.

Petitioner, who is under age 64, not enrolled in Medicare and not the caretaker of any minor children is potentially eligible for MA under the HMP. An individual is eligible for HMP if her household's income does not exceed 133% of the FPL applicable to the individual's group size. A determination of group size under the MAGI methodology requires consideration of the client's tax status and dependents. In this case, the evidence showed that Petitioner's household size for MAGI purposes is three. 133% of the annual FPL in 2018 for a household with one member is \$27,637.40. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$27,637.40.

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 (January 2016), 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, 42 CFR 435.603(h)(2) provides that for current beneficiaries and "for individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods . . . , a State may elect in its State plan to base financial eligibility either on current monthly household income . . . or income based on projected annual household income . . . for the remainder of the current calendar year."

In this case, Petitioner provided a copy of the family's tax returns. According to the 2017 tax returns, Petitioner's husband's income was \$[REDACTED] and Petitioner's income was \$[REDACTED]. There was no income attributed to Petitioner's daughter. When added together, Petitioner's group's income exceeds the income limit. Petitioner argued that the Department should have used the income listed in the Redetermination submitted on or about [REDACTED] [REDACTED] 2018, which was considerable later than the filing date of the tax returns. In the Redetermination, Petitioner listed her income as \$[REDACTED], her husband's income as \$[REDACTED] and her mother in law's income as \$[REDACTED] per month. It is unclear whether Petitioner was indicating that the figures provided for herself and her husband were annual or monthly income. However, the column requested the annual amount after deductions. No additional evidence supporting any deductions taken were provided.

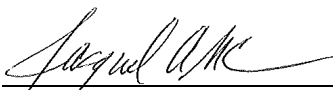
As stated above, MAGI is based on Internal Revenue Service rules and relies on federal tax information. The federal tax information in this case demonstrates that Petitioner's group's income exceeded the income limit and as such, the Department properly determined that Petitioner's group was ineligible for HMP benefits through the MA program.

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 determined that Petitioner's group was ineligible for MA benefits effective December 1, 2018.

DECISION AND ORDER

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

JAM/tlf



Jacquelyn A. McClinton
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-Oakland-II-Hearings
BSC4 Hearing Decisions
EQAD
[REDACTED]
MAHS

Petitioner – Via First-Class Mail:

[REDACTED]
[REDACTED]
[REDACTED]