



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: March 12, 2019  
MAHS Docket No.: 19-000200  
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 March 6, 2019, from Detroit, Michigan. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Nicole Carey, Assistance Payments Supervisor.

**ISSUE**

Did the Department properly deny Petitioner's application for Medical Assistance (MA) Program 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. In November 2018, Petitioner applied for MA benefits.
2. On December 17, 2018, the Department updated Petitioner's income from employment information pursuant to a Work Number Report and issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that her MA benefits would be closed effective February 1, 2019, because she was not pregnant, under age 21, not a caretaker of a dependent child, not over age 65, not blind, not disabled, and had income which exceeded the income limit for the Healthy Michigan Plan (HMP).

3. On January 7, 2019, the Department received Petitioner's hearing request disputing the closure of her MA benefits and consideration of her income.

### **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, the Department closed Petitioner's Medical Assistance (MA) Program benefits primarily because her income exceeded the income limit for the Healthy Michigan Plan (HMP).

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.

Since Petitioner is not under 21 or over 64, nor is she pregnant, blind, or disabled, Petitioner does not qualify for any of programs listed above involving these eligibility factors. If Petitioner is eligible for benefits, she may qualify for MA under the HMP program as she meets all non-financial eligibility factors.

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. Therefore, Petitioner's MA group size is one as she is single and has no dependents. 133% of the FPL for a group size of one is \$16,146.20 until January 11, 2019. See <https://aspe.hhs.gov/poverty-guidelines>; see

a/so <https://aspe.hhs.gov/2018-poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$16,146.20 for a group size of one.

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), 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 takes out 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 testified that she had provided the Department with her paystubs in February 2019. The decision to close Petitioner's MA case occurred in December 2018. Therefore, paystubs submitted in February cannot be considered in this case because they were not the basis for the Department's decision. Only information which the Department had at the time of its decision may be considered. Since the Department did not have paystubs for Petitioner, it relied upon a Work Number Report. The Work Number Report is a report compiled by Equifax which allows employers to voluntarily provided employment related information to third parties such as the Department or other government entities. When reviewing this report, the Department has no ability to make changes to the report, the Department can only view it. Therefore, all information reflected in the report is information reported by the employer. The report shows that Petitioner had the following gross earnings for each pay date:

September 21, 2018	\$ [REDACTED]	November 9, 2018	\$ [REDACTED]
September 28, 2018	\$ [REDACTED]	November 16, 2018	\$ [REDACTED]
October 5, 2018,	\$ [REDACTED]	November 23, 2018	\$ [REDACTED]
October 12, 2018	\$ [REDACTED]	November 30, 2018	\$ [REDACTED]
October 26, 2018	\$ [REDACTED]	December 7, 2018	\$ [REDACTED]
November 2, 2018	\$ [REDACTED]	December 14, 2018	\$ [REDACTED]

In reviewing Petitioner's wage history, her wages can vary significantly from week to week. Therefore, an average income over the 90-day period prior to the Department's

consideration of her income on December 17, 2018, is necessary. Petitioner's average weekly gross income was \$ [REDACTED]. Multiplying this average weekly gross income by 52 weeks results in an annual income of \$ [REDACTED]. Therefore, Petitioner's income is greater than the HMP income limit of \$16,146.20 and she is not eligible for HMP benefits.

An exception exists if an individual's group income is within 5% of the FPL for the applicable group size, a disregard is applied in order to make the person eligible for MA. MREM, § 7.2. 5% of the FPL for a one-person group is \$607.00. Even after consideration of the 5% disregard, Petitioner does not meet the HMP income eligibility requirements.

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 benefits.

### **DECISION AND ORDER**

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



AMTM/jaf

---

**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 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**

Dora Allen  
MDHHS-Wayne-76-Hearings

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

BSC4  
D Smith  
EQAD