



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
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Date Mailed: March 25, 2019
MAHS Docket No.: 19-001361
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 21, 2019, from Detroit, Michigan. The Petitioner was represented by [REDACTED], her Authorized Hearing Representative. The Petitioner did not appear. The Department of Health and Human Services (Department) was represented by Abby Sutter, Assistance Payments Supervisor, and Helen Hampshire, Eligibility Specialist.

ISSUE

Did the Department properly deny the Petitioner's application for Medical Assistance (MA)?

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 November 30, 2018 the Petitioner filed an application for MA for herself. (Exhibit A.)
2. The Petitioner advised the Department that she was applying for MA for herself only.
3. The Department issued a Health Care Coverage Determination Notice on November 30, 2019, finding the Petitioner provisionally eligible for MA full coverage. (Exhibit B.)

4. The Petitioner completed the Verification Checklist mailed on November 30, 2018, with a due date of January 4, 2019, and provided her Permanent Resident Card. (Exhibits C and D.)
5. The Department used \$[REDACTED] monthly income it attributed to Petitioner when determining MA eligibility. (Exhibit E.)
6. The Department based its income determination on an Equifax inquiry for an [REDACTED] [REDACTED] which demonstrated employment of the individual by that name at a Walmart not located in Michigan and ultimately established not to be the Petitioner's spouse. The Department used the income from December 2018 shown on the Equifax when computing the monthly income attributable to Petitioner.
7. The monthly income for a group of 2-person household is \$1,824.32; and the Department, based upon the Equifax, determined the Petitioner was not eligible for Healthy Michigan Plan (HMP) due to excess income. (Exhibit G.)
8. On January 11, 2019, the Department issued a Health Care Coverage Determination Notice denying the Petitioner's application for MA (HMP) due to excess income, effective February 1, 2019. (Exhibit H.)
9. The Petitioner requested a timely hearing on February 7, 2019, protesting the Department's determination.

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 denied the Petitioner's application for MA due to excess household income. The Department concluded that Petitioner was not eligible for HMP because her household income exceeded the applicable income limit for their group size. HMP uses a Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (April 2018), 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. BEM 137, p. 1. An individual's group size for MAGI-related purposes requires consideration of the client's tax filing status. In this case, Petitioner was married and living with her husband. The household for a tax filer, who is not claimed as at tax dependent, consists of: (i) the individual; (ii) the individual's spouse; and (iii) the individual's tax dependents. BEM 211 (January 2016), pp. 1-2. Therefore, in determining Petitioner's MA status, the Department properly considered Petitioner and her husband as having a group size of two.

133% of the annual FPL in 2018 for a household with two members is \$21,891.80. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$21,891.80 (\$1,824.32 per month). To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (July 2017), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1.

In this case the Department conceded on the record at the hearing that the income it attributed to Petitioner's group was improperly determined to be Petitioner's spouse's income. At the hearing, it further testified that the income was based on another person using the spouse's name and Social Security Number at a [REDACTED] not located in [REDACTED] and should not have been attributed to Petitioner's household income and that the income for the household originally used to deny MA eligibility due to excess income was incorrect on its part. Therefore, it is determined that the denial by the Department of Petitioner's MA application due to excess income was incorrect and Petitioner's eligibility must be redetermined.

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 did not act in accordance with Department policy when it denied the Petitioner's MA application due to excess household income.

DECISION AND ORDER

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department shall re-register and re-process the Petitioner's MA application dated November 30, 2018, and redetermine Petitioner's eligibility for MA.

2. The Department shall provide written notice of its determination regarding the Petitioner's MA eligibility.

LMF/jaf



Lynn M. Ferris

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

Kimberly Kornoelje
MDHHS-Kent-Hearings

Petitioner

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

Authorized Hearing Rep.

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