



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: April 23, 2019
MAHS Docket No.: 19-002343
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 April 17, 2019, from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Janika Ashwood, Eligibility Specialist. During the hearing, a 14-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-14.

ISSUE

Did the Department properly determine the Medicaid (MA) eligibility of Petitioner's daughter, Faith Johnson?

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's daughter, [REDACTED], was born [REDACTED], 2002. She is disabled and at all times relevant resided with Petitioner.
2. At all times relevant to the instant matter, Petitioner was employed by the [REDACTED] [REDACTED] earning about \$ [REDACTED] per year.
3. On or about January 8, 2019, Petitioner submitted to the Department an application for MA benefits for [REDACTED].
4. On or about February 10, 2019, Petitioner submitted to the Department an application for MA benefits for [REDACTED].

5. On February 19, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that [REDACTED] was ineligible for MA benefits from January 1, 2019, through February 28, 2019. Exhibit A, pp. 5-8.
6. On [REDACTED], 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's denial of her application for MA benefits for [REDACTED].

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's daughter, [REDACTED], was an Supplemental Security Income (SSI) recipient through either December 2018 or January 2019. As a result of receiving SSI, [REDACTED] received full-coverage MA from the Department. Thus, when [REDACTED] stopped receiving SSI, it caused the Department to close her MA benefits. After becoming aware of the closure, Petitioner submitted two applications for MA benefits for [REDACTED] to the Department, one on January 8, 2019, and the other on February 10, 2019. On February 19, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that [REDACTED] was ineligible for MA benefits from the Department from January 1, 2019, through February 28, 2019. On [REDACTED], 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's action.

Clients have the right to contest a Department decision affecting eligibility or benefit levels, including termination of program benefits, when the client believes the decision is incorrect. BAM 600 (October 2018), pp. 1, 5. When a hearing request is filed, the matter is transferred to the Michigan Administrative Hearing System (MAHS) for a hearing before an Administrative Law Judge. BAM 600, p. 1. In preparation for the hearing, the Department is required to send to MAHS and the client a hearing summary. BAM 600, pp. 9-10, 24. The hearing summary is required to include a clear, concise statement of the case action taken, a chronological summary of events, and citations to relevant law and policy, amongst other things. BAM 600, p. 10. Additionally, a hearing packet must be prepared to send along with the hearing summary. BAM 600, p. 10. The completed hearing packet must include, at a minimum, the relevant Notice of Case

Action or Health Care Coverage Determination Notice and a copy of all documents the Department intends to offer to support its action. BAM 600, p. 10.

At the hearing, the Department representative and client are tasked with presenting their respective cases with reference to the documents provided in the hearing packet or otherwise properly served under the Michigan Administrative Rules. BAM 600, p. 37. After hearing the evidence, the Administrative Law Judge has the duty to review the evidence presented and based on that evidence, determine whether the Department met its burden of proving that the challenged actions were taken in compliance with law and Department policy. BAM 600, p. 39.

On March 4, 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's actions taken with respect to her application for MA benefits for [REDACTED]. The matter was transferred to MAHS for a hearing on the contested issue. The Department put together a hearing summary outlining the Department's case and a hearing packet consisting of documentation purported to be relevant to the matter at hand.

The only document in the hearing packet that constituted a notice was the February 19, 2019, Health Care Coverage Determination Notice. That document held that [REDACTED] was ineligible for MA benefits from January 1, 2019, through February 28, 2019. Notably, it does not in any way refer to [REDACTED] eligibility from March 1, 2019, ongoing. At the hearing, it was disclosed by the Department that [REDACTED] was approved for Group 2 MA coverage subject to a deductible. As Petitioner's hearing request certainly raised the issue of [REDACTED] ongoing MA eligibility, documents explaining what that eligibility was determined to be are critical in determining whether [REDACTED] ongoing eligibility was properly determined.

Even if additional documentation was provided, the evidence on the record demonstrates that the Department's February 19, 2019, Health Care Coverage Determination Notice was erroneous in more ways than one. First, the document states that [REDACTED] was ineligible for two different MA programs because "Countable income exceeds income limit for your group size." At the end of that section of the document, it states:

The income below was used in determining the Health Care Coverage for
[REDACTED]

Annual Income: \$0.00

Household size income limits are printed below.

In the table immediately following the above statement, there were no entries less than \$16,146.20. Thus, the Health Care Coverage Determination Notice states that the Department based [REDACTED] MA eligibility on an income of \$0 and that Petitioner was ineligible for MA coverage because her income exceeded the income limit for program

eligibility. After asserting those two seemingly mutually exclusive facts, the Department then provides a table that removes all doubt. Clearly, the notice is deficient. Second, [REDACTED] is disabled, and that was known to the Department at the time the document was issued. However, the Department determined that [REDACTED] was not eligible for Group 2 MA coverage because she is not disabled.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's application for MA benefits for Faith.

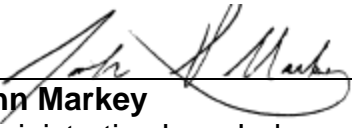
DECISION AND ORDER

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. Reprocess Petitioner's application for MA benefits for [REDACTED];
2. If any eligibility-related factors remain unclear, inconsistent, or contradictory, follow Department policy in issuing verification checklists that clearly request the information required;
3. Determine [REDACTED] eligibility for MA benefits under the program most beneficial to her; and
4. Provide Petitioner with adequate written notice of its decisions that accurately convey to Petitioner the action taken by the Department and the reason(s) for the actions.

JM/cg



John Markey
Administrative Law Judge
for Robert Gordon, Director
Department of Health and Human Services

