



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: June 14, 2019
MOAHR Docket No.: 19-003639
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on May 22, 2019, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Cathy Burr.

ISSUE

Did the Department of Health and Human Services (Department) properly determine Petitioner's eligibility 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 October 2, 2018, the Department notified Petitioner that her daughter is eligible for Medical Assistance (MA) as of November 1, 2018, in the MA-U19 category. Exhibit A, pp 35-40.
2. Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$1,079. Exhibit A, pp 29-31.
3. Petitioner is enrolled in Medicare. Exhibit A, p 29.
4. Petitioner's daughter receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$492. Exhibit A, pp 32-34.
5. On March 21, 2019, the Department notified Petitioner that she was not eligible for Medical Assistance (MA) as of March 1, 2019. Exhibit A, pp 5-7.

6. On April 1, 2019, the Department received Petitioner's request for a hearing protesting the Department's determination of her eligibility for Medical Assistance (MA). Exhibit A, pp 2-4.
7. On April 12, 2019, the Department notified Petitioner that she is eligible for Medical Assistance (MA) with a \$642 monthly deductible as of February 1, 2019. Exhibit A, pp 8-9.

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.

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. Department of Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016), pp 3-4.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5% disregard shall be applied to the highest income threshold. The 5% disregard shall be

applied only if required to make someone eligible for Medicaid.¹

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

The income limit for parents and caretakers is 54% of the federal poverty level. Department of Health and Human Services Bridges Eligibility Manual (BEM) 211 (February 1, 2019), p 1.

Petitioner was an ongoing recipient of MA-PCR. Petitioner receives RSDI in the gross monthly amount of \$1,079, and her daughter received RSDI in the gross monthly amount of \$492.

All RSDI income is countable to tax-files and adults not claimed as dependents. A child's RSDI is countable only if that child is required to file taxes. Department of Health and Human Services Bridges Eligibility Manual (BEM) 403 (April 1, 2019), p 29. Previously, not all RSDI was countable.

Petitioner was an ongoing MA recipient under the PCR category. Petitioner's countable income exceeds 54% of the federal poverty and the 5% income disregard does not make her eligible for ongoing PCR benefits.

The Health Michigan Plan provides health care coverage for individuals who do not qualify for or are not enrolled in Medicare. Department of Health and Human Services Bridges Eligibility Manual (BEM) 137 (January 1, 2019), p 1.

Since Petitioner is enrolled in Medicare, she is not eligible for MA benefits under the Healthy Michigan Plan (HMP).

Individuals who are aged or disabled and whose income does not exceed 100% of the federal poverty level are eligible for MA benefits under the AD-CARE category. Department of Health and Human Services Bridges Eligibility Manual (BEM) 163 (July 1, 2017), p 1.

Petitioner's income exceeds 100% of the federal poverty level and she is not eligible for AD-CARE benefits.

A review of Petitioner's case reveals that the Department budgeted correct amount of income received by the Petitioner. Petitioner's "protected income level" is \$408, and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department of Human Services Reference Table Manual (RFT) 240 (December 1, 2013), p 1. Department's determination that the Petitioner has a \$515 deductible per month she must meet in order to qualify for MA for any medical expenses above is therefore correct.

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

Petitioner's daughter receives RSDI in the gross monthly amount of \$492, which is not high enough to require filing a tax return. IRS Publication 915. Petitioner's daughter has a countable income less than 160% of the federal poverty level and she is eligible for MA under the MA-U19 category based on income.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. Department of Health and Human Services Bridges Eligibility Manual (BEM) 105 (April 1, 2017), p 2.

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 Petitioner's eligibility for Medical Assistance (MA) and placed her household in the most beneficial category of benefits.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/dh



Kevin Scully
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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

DHHS

Sarina Baber
22 Center Street
Ypsilanti, MI 48198

Washtenaw County, DHHS

BSC4 via electronic mail

EQAD via electronic mail

D. Smith via electronic mail

Petitioner

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