



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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Date Mailed: September 5, 2019
MOAHR Docket No.: 19-006691
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 August 8, 2019, from Detroit, Michigan. Petitioner appeared for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by Tamara Brown, Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) case?

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 was an ongoing recipient of MA benefits under the Healthy Michigan Plan (HMP).
2. In connection with a Redetermination/Renewal, Petitioner's eligibility to receive MA was reviewed. On the redetermination form, Petitioner reported that as of March 1, 2019, he no longer had any income. Petitioner reported that his wife was employed with ██████████, that her gross earnings are \$████████, that she is paid biweekly, and that they file taxes jointly. On a later page, Petitioner reported that his wife's yearly income is \$████████. (Exhibit A)
3. On May 20, 2019, the Department sent Petitioner a Health Care Coverage Determination Notice informing him that effective July 1, 2019, his MA case would be closed because countable income exceeds the income limit for his group size.

4. Petitioner confirmed: that he is ■ years old; that he has not been determined disabled; that he is not enrolled in Medicare; that he is not the parent or caretaker of a minor child; and that he files a tax return jointly with his wife, with no other dependents claimed. Therefore, Petitioner's household size for MA purposes is two.
5. On June 20, 2019, Petitioner requested a hearing disputing the Department's actions with respect to the closure of his MA case.

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, which provides health care coverage for a category of eligibility authorized under the Patient Protection and Affordable Care Act and Michigan Public Act 107 of 2013 effective April 1, 2014. BEM 105 (April 2017), p. 1; BEM 137 (January 2019), p. 1.

HMP is a Modified Adjusted Gross Income (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, pp. 1-4.

Petitioner, who is under age 64, has not been determined disabled, and not the parent and/or caretaker of any minor children is potentially only eligible for MA under the HMP category. An individual is eligible for HMP if his 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. The evidence showed that Petitioner's household size for MAGI purposes is two. 133% of the annual FPL in 2019 for a household with two members is

\$22,490.30. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual MAGI cannot exceed \$22,490.30, or \$1,874.19 monthly, as he is a current MA beneficiary.

At the hearing, the Department testified that prior to the annual review, it had not been budgeting his wife's earnings. After processing Petitioner's redetermination, the Department determined that Petitioner had excess income for MA under the HMP category and initiated the closure of his case effective July 1, 2019.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 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 rules and relies on federal tax information to determine adjusted gross income, eliminating the asset test and special deductions or disregards. BEM 500 (July 2017), pp. 3-4. 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."

When determining financial eligibility of current beneficiaries for MAGI-related MA, the State of Michigan has elected to base eligibility on current monthly household income and family size. The State has also elected to use reasonable methods to include a prorated portion of a reasonably predictable increase in future income and/or family size and to account for a reasonably predictable decrease in future income and/or family size. (Medicaid State Plan Amendment Transmittal No.: MI-17-0100)

The Department stated that because the gross annual earnings for Petitioner's wife identified the redetermination was inconsistent, it relied on information obtained from the consolidated income inquiry which showed first quarter 2019 earnings of \$10,561.58. Based on the quarterly earnings, the Department concluded that Petitioner's household had total countable monthly MAGI of \$[REDACTED] which is greater than the \$1,874.19 monthly income limit for a household size of two. The Department stated it later received pay stubs showing net income of \$[REDACTED] biweekly; however, even considering just net income, the earnings would be greater than the monthly income limit. (Exhibit A; Exhibit B)

At the hearing, Petitioner did not dispute that his wife is employed or that the income amounts relied upon by the Department were accurate. There was also no evidence to indicate that Petitioner's wife's employment was not expected to continue. Petitioner asserted that he is disabled but confirmed that he had been denied disability by the Social Security Administration. There was no evidence presented by Petitioner to establish that those decisions have been appealed or are currently pending, as the

Department testified that there was no disability determination present according to the SOLQ report. Therefore, because at the time of the redetermination, the Department had no information indicating that Petitioner was alleging a disability as a basis to receive MA, the Department properly did not consider his eligibility for an SSI-related MA category. Petitioner was advised that he is entitled to submit a new application for MA benefits and have his eligibility for SSI-related MA determined.

Upon review, the Department properly determined that Petitioner's monthly countable MAGI was greater than the income limit for his group size and thus, he was no longer eligible for MA under the HMP

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 closed Petitioner's MA case effective July 1, 2019, as his household's monthly income was greater than the \$1, 874.19 income limit.

DECISION AND ORDER

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

ZB/tlf



Zainab A. Baydoun
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 (via electronic mail)

Chelsea McCune
MDHHS-Macomb 20

BSC4
D Smith
EQAD

Petitioner (via first class mail)

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