



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: November 12, 2019
MOAHR Docket No.: 19-010585
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 November 7, 2019 from Detroit, Michigan. Petitioner appeared and represented himself. Also appearing on behalf of Petitioner was Petitioner's mother, [REDACTED]. The Department of Health and Human Services (Department) was represented by Valarie Foley, Hearings Facilitator. During the hearing, a 15-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-15.

ISSUE

Did the Department properly close Petitioner's Medicaid (MA) benefits case under the Healthy Michigan Program (HMP), effective October 1, 2019?

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 full-coverage HMP.
2. At some point, the Department was notified via an automated system of a discrepancy between the amount of income the Department was budgeting for determining Petitioner's eligibility and the amount Petitioner's employer was reporting Petitioner earned.

3. On July 29, 2019, the Department issued to Petitioner a Wage Match Client Notice informing Petitioner of the issue and requesting detailed wage information. Exhibit A, pp. 11-12.
4. On August 15, 2019, the Department received the completed Wage Match Client Notice form along with detailed wage information showing Petitioner's earnings for the year 2019. Exhibit A, pp.11-13.
5. On September 4, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that his MA benefits case was closing, effective October 1, 2019, due to the Department's determination that Petitioner's income exceeded the limit for program eligibility. Exhibit A, pp. 8-10.
6. On [REDACTED], 2019, Petitioner submitted to the Department a request for hearing.
7. Shortly after submitting the request for hearing, Petitioner separated from his employment.

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 objects to the Department's closure of his MA benefits case, effective October 1, 2019. The Department closed Petitioner's case after determining that his income exceeded the limit for program eligibility.

HMP is a 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 (January 2019), p. 1.

Petitioner is under age 64, not disabled, and not enrolled in Medicare. Thus, he is potentially eligible for MA under the HMP if the household's income does not exceed 133% of the FPL applicable to the individual's group size. In this case, Petitioner does not have any other group members. Thus, the evidence suggests that Petitioner's household size for MAGI purposes is one. 42 CFR 435.603(f). 133% of the annual FPL for a household with one member is \$16,611.70. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's household annual MAGI cannot exceed \$16,611.70. This figure breaks down a monthly income threshold of \$1,384.31.¹ The Department also applies a 5% disregard for ongoing recipients of HMP. That figure breaks down to a monthly income threshold of \$1,453.53.

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), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. Effective November 1, 2017, when determining eligibility for ongoing recipients of MAGI related MA, the State of Michigan has elected to base financial eligibility on current monthly income and family size. https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf. However, in determining current monthly income, the Department must account for reasonably predictable decreases in income. *Id.*

As Petitioner was an ongoing recipient of MA benefits under the HMP, the Department determined Petitioner's financial eligibility on currently monthly income and family size. In making that determination, the Department used the earnings information submitted to the Department on [REDACTED], 2019 in response to the Wage Match Client Notice. Petitioner acknowledged the accuracy of the wage information.

The wage records show that Petitioner's income exceeded the limit for program eligibility every month from April 2019 through July 2019 and was on pace to exceed the limit again in August 2019. Petitioner was working consistently and regularly at a rate of pay that rendered him income ineligible for MA under the HMP. At the time the Department made the decision to close Petitioner's MA case, there was no reason to believe that there would be a decrease in income. Thus, the Department based its eligibility on Petitioner's current monthly income, which exceeded the limit. As Petitioner's earnings were over the threshold for continuing eligibility, the Department properly issued the September 4, 2019 Health Care Coverage Determination Notice closing Petitioner's MA benefits case under the HMP, effective October 1, 2019.

Given that Petitioner credibly testified that his income situation has substantially changed since September 2019, Petitioner's eligibility status may be very different now than it was at the time the Department made its decision. If Petitioner would like the Department to determine his eligibility under the changed circumstances, he must

¹ \$16,611.70 divided by twelve.

submit to the Department a new application for MA benefits. On any application for MA benefits, Petitioner may request up to three months of retroactive MA benefits.

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 benefits case under the HMP, effective October 1, 2019.

DECISION AND ORDER

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

JM/tm



John Markey
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

Susan Noel
26355 Michigan Ave
Inkster, MI
48141

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

cc: MA- Deanna Smith; EQADHShearings
AP Specialist-Wayne County