



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]
[REDACTED]

Date Mailed: January 21, 2020
MOAHR Docket No.: 19-012895
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 January 15, 2020 from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payments Supervisor. During the hearing, a 22-page packet of documents was offered and admitted into evidence as Exhibit A, pp. 1-22.

ISSUE

Did the Department properly find Petitioner ineligible for Medicaid (MA) under the full-coverage Healthy Michigan Plan (HMP)?

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 [REDACTED], 2019, Petitioner submitted to the Department an application for MA benefits. Petitioner's household included herself and her two minor children. Exhibit A, pp. 5-15.
2. On the application, Petitioner indicated that she worked 40 hours per week at an hourly rate of pay of \$[REDACTED] Exhibit A, p. 10.
3. On November 18, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that she was ineligible for MA benefits under the full-coverage HMP. Exhibit A, pp. 16-20.

4. On November 18, 2019, the Department issued to Petitioner a Verification Checklist to request information relevant to determining Petitioner's potential eligibility under other MA categories. Exhibit A, pp. 20-22.
5. On December 2, 2019, Petitioner submitted to the Department a hearing request objecting to the Department's November 18, 2019 Health Care Coverage Determination Notice.
6. Sometime after Petitioner submitted the hearing request giving rise to the instant case, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that the Department was denying Petitioner's MA application under the other categories because the Department believed that Petitioner did not timely return requested verifications. As that action occurred after Petitioner filed the hearing request at issue in this case, this case will not address that action. If Petitioner would like a hearing to address that denial, she will have to file a signed and written hearing request objecting to that action within 90 days from the issuance of the relevant Health Care Coverage Determination Notice.

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 submitted to the Department a [REDACTED] 2019 application for MA benefits. On the application, Petitioner indicated that she was working 40 hours per week at an hourly rate of \$[REDACTED]. The Department processed the application and determined that Petitioner's income exceeded the limit for MA eligibility under the HMP.

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, she 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 has two other group members. Thus, the evidence suggests that Petitioner's household size for MAGI purposes is three. 42 CFR 435.603(f).

133% of the annual FPL for a household with three members is \$28,368.90. <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's household annual MAGI cannot exceed \$28,368.90. This figure breaks down a monthly income threshold of \$2,364.01.¹ 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. For new applicants for MA benefits, financial eligibility must be based on current monthly household income. 42 CFR 435.603(h)(1).

Petitioner's application was submitted in [REDACTED], 2019. On the application, Petitioner disclosed that she earned \$[REDACTED] per hour working 40 hours per week. Petitioner confirmed her income situation during the hearing. That hourly rate produces an annual income of \$[REDACTED]. Monthly, Petitioner's income was \$[REDACTED] which is above the threshold for MA eligibility under the HMP.

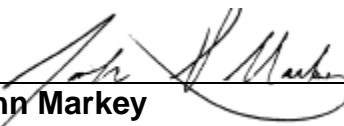
Based on Petitioner's earnings, Petitioner is not eligible for MA under the HMP because her household income exceeds the limit for program eligibility. Petitioner may apply again at any other time and is entitled to have her eligibility assessed at that point based on her then present monthly income.

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 denied Petitioner's MA application for excess income.

DECISION AND ORDER

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

JM/tlf



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

¹ \$28,368.90 divided by twelve.

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

Via Email:

MDHHS-GrandTraverse-Hearings
BSC1 Hearing Decisions
EQAD
[REDACTED]
MOAHR

Petitioner – First-Class Mail:

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