



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: January 21, 2020
MOAHR Docket No.: 19-013061
Agency No.: [REDACTED]
Petitioner: Jana Jefferson

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 9, 2020 from Detroit, Michigan. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by [REDACTED]; Eligibility Specialist, and [REDACTED] Assistance Payments Supervisor. During the hearing, a nine-page packet of documents was offered and admitted as Exhibit A, pp. 1-9.

ISSUE

Did the Department properly deny Petitioner's November 4, 2019 application for Medicaid (MA) benefits?

Did the Department properly deny Petitioner's November 4, 2019 application for State Emergency Relief (SER) benefits?

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 and SER benefits. The SER benefits were requested to help in paying Petitioner's DTE heat and electricity bills.
2. Along with the application, Petitioner submitted a paycheck stub from her employment. That document showed that from October 14, 2019 through October 27, 2019, Petitioner earned gross wages of \$[REDACTED]. It also showed that as of

October 27, 2019, Petitioner's year-to-date gross wages totaled \$ [REDACTED]. Exhibit A, pp. 4-5.

3. On November 6, 2019, the Department issued to Petitioner a Health Care Coverage Determination Notice informing Petitioner that her MA application was denied because the Department determined that Petitioner's income exceeded the limit for program eligibility. Exhibit A, pp. 6-9.
4. On November 6, 2019, the Department issued to Petitioner a State Emergency Relief Decision Notice informing Petitioner that her SER application was denied because the Department determined that Petitioner's income exceeded the limit for program eligibility.
5. On November 22, 2019, Petitioner submitted to the Department a request for hearing objecting to the Department's denial of her [REDACTED] 2019 MA and SER application.

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).

In this case, Petitioner objects to the Department's denials of Petitioner's [REDACTED], 2019 application for MA and SER benefits. The Department's denials were premised on the Department's determination that Petitioner's income exceeded the applicable limits for eligibility.

MEDICAID DENIAL

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.

Petitioner is under age 65, 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's household size is one. BEM 211 (July 2019), p. 1.

133% of the 2019 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

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 new applicants for MAGI related MA, financial eligibility is determined based 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 predicible decreases in income. *Id.*

As Petitioner was a new applicant for MA benefits under the HMP, the Department determined Petitioner's financial eligibility on current monthly income and family size. In making that determination, the Department used the earnings information submitted to the Department on November 4, 2019. That documentation showed that Petitioner received gross wages of [REDACTED] for the two-week period from October 14, 2019 through October 27, 2019. During that period, Petitioner worked 63.5 hours at a rate of pay of \$[REDACTED] per hour. The documentation also showed that year-to-date through the end of October 2019, Petitioner had earned gross wages of \$[REDACTED]. Petitioner acknowledged the accuracy of the income information and testified that while her income fluctuated from month-to-month, the gross amount on the paycheck stub provided was not atypical.

Using the information provided by Petitioner, the Department determined that Petitioner's income exceeded the limit for program eligibility and denied her application for MA benefits. After reviewing the record, it is found that the Department's decision is supported by law and policy. The information provided by Petitioner showed that she received \$[REDACTED] in gross wages over a two-week period. Doubling that figure to reach a monthly income amount of \$[REDACTED] results in a monthly income that greatly exceeded the limit of \$1,384.31. Additionally, the year-to-date figures provided on the paycheck stub further confirm that Petitioner's earnings exceeded the limit for program eligibility as she averaged approximately \$[REDACTED] per month for the first ten months of 2019.

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 [REDACTED] 2019 application for MA benefits.

¹ \$16,611.70 divided by twelve.

SER DENIAL

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

On [REDACTED] 2019, Petitioner applied for SER for assistance with paying her energy bills. On November 6, 2019, the Department issued to Petitioner a State Emergency Relief Decision Notice informing Petitioner that her SER application was denied.

An SER payment can only be authorized if the SER payment will resolve the emergency. ERM 208 (June 2019), p. 1. A household may receive one SER payment for heat and one for non-heat electricity, up to the SER cap, each fiscal year. ERM 301 (March 2019), p. 1. The SER cap for each service is \$850. ERM 301, p. 12. If the SER maximum does not resolve the emergency, the client must contribute towards the cost of resolving the emergency. ERM 208, p. 3. Verification that the contribution has been paid must be received before any SER payment can be made. ERM 208, p. 3. Before authorizing the Department's portion of the cost of services, the Department must verify that the copayment, shortfall, and contribution have been paid by the client or will be paid by another agency. ERM 208, p. 5.

There are no income copayments for SER energy services. ERM 208, p. 1. With respect to income, clients are either eligible or they are not. ERM 208, p. 1. For a group to be income eligible, the group's monthly income cannot exceed the standard for SER energy services, which for a group of one is \$1,518. ERM 208, pp. 1, 6. If the income exceeds the limit, the request must be denied. ERM 208, p. 1.


As described above, Petitioner's monthly income was at least \$[REDACTED] at the time of application. As that income exceeds the limit for program eligibility, the Department properly denied the application for excess 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 [REDACTED] 2019 application for SER benefits.

DECISION AND ORDER

Accordingly, the Department's decisions are **AFFIRMED**.

JM/tlf



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

Via Email:

MDHHS-Wayne-57-Hearings
BSC4 Hearing Decisions
EQAD

[REDACTED]

[REDACTED]

[REDACTED]

MOAHR

Petitioner – Via First-Class Mail:

[REDACTED]

[REDACTED]

[REDACTED]