



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: January 6, 2022  
MOAHR Docket No.: 21-004988  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Linda Jordan**

**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 telephonic hearing was held on December 9, 2021. Petitioner appeared and represented herself. Brenda Drownicki, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

**ISSUE**

Did MDHHS properly process Petitioner's application for Medical Assistance (MA) and Retroactive 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 ██████████ 2021, Petitioner applied for MA and Retroactive MA for herself and ██████████ (Husband), and for MA for an adult child (Adult Child) and two minor children.
2. On July 27, 2021, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating Adult Child was approved for the Healthy Michigan Plan (HMP), effective July 1, 2021 ongoing (Exhibit A, p. 5).
3. On August 3, 2021, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that the two minor children were approved for MiChild, effective July 1, 2021 ongoing (Exhibit A, p. 6).

4. On October 6, 2021, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Petitioner and Husband were approved for MA with a deductible in the amount of \$██████████, effective July 1, 2021 to July 31, 2021, \$██████████ effective August 1, 2021 to August 31, 2021 and \$██████████ ongoing, effective September 1, 2021 (Exhibit A, p. 7).
5. On ██████████, 2021, Petitioner requested a hearing to dispute MDHHS's approval of MA with a deductible for herself and Husband (Exhibit A, pp. 5).

### **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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medicaid. BEM 105 (January 2021), p. 1.

In this case, Petitioner filed a hearing request to dispute MDHHS's decision regarding her MA application. At the hearing, MDHHS confirmed the current status of Petitioner's MA case for everyone in the household. Petitioner and Husband were approved for Group 2 Caretaker (G2C) MA with a deductible, the minor children were approved for MiChild, and Adult Child was approved for the Health Michigan Plan (HMP). Petitioner confirmed that she filed the hearing request to dispute the determination that she and her husband were only eligible for G2C MA with a deductible and the processing of her application for retroactive MA. Petitioner did not wish to challenge MDHHS's determination regarding Adult Child and the minor children.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (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. BEM 105, p. 1; BEM 137 (June 2020), 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 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, p. 1.

Regarding the MA status for Petitioner and Husband, MDHHS determined that because Petitioner and Husband were caretakers of minor children, they were eligible for G2C MA with a deductible in the amount of \$ [REDACTED] effective July 1, 2021 to July 31, 2021, [REDACTED] effective August 1, 2021 to August 31, 2021 and \$ [REDACTED] ongoing, effective September 1, 2021 (Exhibit A, p. 7). At the hearing, MDHHS acknowledged that it made errors when budgeting Petitioner and Husband's income. MDHHS stated that Petitioner was receiving earned income and Unemployment Compensation Benefits (UCB). MDHHS presented a Consolidated Income Inquiry to show that Petitioner was receiving UCB at a reduced amount because she was also receiving earned income (Exhibit A, pp. 26-32). MDHHS testified that when calculating Petitioner's income, it relied on the gross amount of UCB, not the reduced amount that Petitioner was receiving due to also having employment income, which was an error. Even after considering the reduced UCB amount, MDHHS could not explain how it calculated Petitioner's household income. Additionally, MDHHS submitted a paystub from Husband, which was illegible. MDHHS stated that it was from June 2021, and thus, likely did not reflect his current earnings when the application was processed.

Regarding retroactive MA, MDHHS acknowledged that it had made an error by not registering Petitioner's request for retroactive MA when she applied. At the hearing, MDHHS stated that it had registered the application, requested additional verifications from Petitioner and that approval for MA coverage for the months of April, May and June was pending.

The record shows that MDHHS improperly budgeted Petitioner and Husband's income and did not process Petitioner's application for retroactive MA for herself and Husband. Therefore, 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 MDHHS did not act in accordance with Department policy when it processed Petitioner's application for MA and retroactive MA.

### **DECISION AND ORDER**

Accordingly, the MDHHS's decision is **REVERSED**.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Petitioner's and Husband's eligibility for MA benefits from the [REDACTED] 2021 application;
2. Process Petitioner's and Husband's request for retroactive MA for the months of April, May and June 2021, if not done so already;

3. If Petitioner and Husband are eligible for MA, provide them with MA coverage for each month in which they are eligible; and
4. Notify Petitioner of its decision in writing.

LJ/ml

  
**Linda Jordan**  
Administrative Law Judge

**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-Macomb-12-Hearings  
BSC4  
C. George  
EQAD  
MOAHR

**Petitioner – Via USPS:**

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██, MI ██████████