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GOVERNOR

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

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DIRECTOR

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Date Mailed: March 10, 2023
MOAHR Docket No.: 23-000532
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 telephone hearing was held on February 27, 2023. Petitioner appeared and represented herself with the assistance of Bengali interpreter, Suraiya Shama. Haysem Hosney appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly deny Petitioner's request for Medicaid (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 January 8, 2023, Petitioner filed an application for MA (Exhibit A, p. 7).
2. On January 17, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Petitioner was not eligible for MA because Petitioner's countable income exceeded the limit for the Healthy Michigan Plan (HMP) and Petitioner did not qualify for any other MA category (Exhibit A, pp. 14-15).
3. On January 29, 2023, Petitioner filed a Request for Hearing to dispute the denial of her MA application (Exhibit A, p. 4).

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 Medicaid (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. Medicaid is also known as Medical Assistance (MA). BEM 105 (January 2021), p. 1.

In this case, MDHHS denied Petitioner's request for MA because her countable income exceeded the limit for the program.

MA is comprised of several sub-programs or categories. BEM 105, p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* 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 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; (vi) are residents of the State of Michigan; and (vii) meet citizenship requirements. BEM 137 (June 2020), p. 1.

An individual's group size for MAGI purposes requires consideration of the client's tax filing status or, if not a tax filer, the individual's household. 42 CFR 435.603(f)(1). If the individual is not claimed as a tax dependent and expects to file a tax return for the taxable year in which an eligibility determination is made, the household consists of the taxpayer and all persons the individual expects to claim as a tax dependent. 42 CFR 435.603(f)(1). An individual claimed as a tax dependent has a household consisting of the household of the taxpayer who claims him as a tax dependent. 42 CFR 435.603(f)(2). If the individual does not file taxes, an individual's group consists of the individual and, if living with the individual, the spouse and children up to age 21, if full-time students. 42 CFR 435.603(f)(3).

At the hearing, no evidence was presented that Petitioner was blind, disabled, over age 65, under age 19, pregnant, the parent of minor children, or a Medicare recipient. Thus,

Petitioner was only potentially eligible to receive HMP MA. MDHHS asserted that Petitioner had a group-size of one for the purposes of HMP. Although Petitioner reported living in a household with her two adult children, no evidence was submitted that she claimed her adult children as tax dependents. Therefore, MDHHS properly determined that Petitioner had a group-size of one.

HMP income limits are based on 133% of the Federal Poverty Level (FPL).¹ RFT 246 (April 2014), p. 1. MDHHS also applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (April 2022), p. 5. Thus, HMP income limits are functionally 138% of FPL. The 5% disregard is the amount equal to 5% of the FPL, not a flat 5% disregard of income. BEM 500, p. 5; See *also*: Modified Adjusted Gross Income Related Eligibility Manual (May 2014), p. 15, available at: https://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf.

Effective January 19, 2023, 100% of FPL was \$14,580.00 annually for a one-person household residing in the contiguous 48 states. For Petitioner to be eligible for HMP MA in 2023, her income would have to be at or below \$20,120.40 per year, which represents 138% of FPL. MDHHS determined that Petitioner's annual income was \$35,360.00, which was over the income limit for HMP. Petitioner did not dispute the amount that MDHHS budgeted for her annual income. Therefore, MDHHS properly determined that Petitioner was ineligible for HMP MA because her income exceeded the limit for the program.

Individuals who are over the income limit for HMP MA may be eligible for health insurance through the federally-regulated Health Insurance Marketplace. For more information, visit [HealthCare.gov](https://www.healthcare.gov).

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 MDHHS acted in accordance with Department policy when it denied Petitioner's application for MA.

DECISION AND ORDER

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



LJ/tm

Linda Jordan
Administrative Law Judge

¹ Federal Poverty Level (FPL) refers to the Federal Poverty Guidelines published annually in the Federal Registrar. See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

