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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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██████████, MI ██████████

Date Mailed: April 27, 2023
MOAHR Docket No.: 23-001017
Agency No.: ██████████
Petitioner: ██████ ██████

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 March 29, 2023, from Lansing, Michigan. ██████████ ██████████ the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Kim Wood, Eligibility Specialist.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-64. The hearing record was left open for the Department to submit additional documentation from the case record, which has been admitted as Exhibits, B, pp. 1-2; Exhibit C, p. 1; Exhibit D, p. 1; Exhibit E, pp. 1-2; Exhibit F, pp. 1-2; Exhibit G, pp. 1-3; Exhibit H, pp. 1-3; and Exhibit I, p. 1.

ISSUE

Did the Department properly deny Petitioner's ██████████ 2022 and ██████████ 2022 applications for Medical Assistance (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 ██████████ 2022, Petitioner applied for MA for a household size of one. Petitioner reported income from National General of ██████████ per month. Petitioner also reported she is a member of a federally recognized tribe. (Exhibit A, pp. 5-20)
2. On ██████████ 2022, Petitioner submitted a retroactive MA application for the months of July, August, and September 2022. Petitioner reported employment or

self-employment income in July 2022 of [REDACTED] and no income in August or September 2022. (Exhibit A, pp. 21-23)

3. On October 25, 2022, the Department determined Healthy Michigan Plan (MA-HMP) would be denied due to income in excess of the limit for the group size. The application was still being processed for eligibility based on disability and was pending additional verifications. (Exhibit B, p. 2)
4. On November 3, 2022, Petitioner's doctor reported that Petitioner was able to return to work on November 7, 2022 with no restrictions. (Exhibit A, p. 63)
5. On December 12, 2022, MA was denied due to excess income. (Exhibit B, p. 1)
6. On [REDACTED] 2022, Petitioner applied for MA for a household size of one. Petitioner reported that due to the car accident she was out of work from July 7, 2022 until last week when she was finally approved to work part-time. The employer was [REDACTED] and Petitioner indicated she had not been paid yet. No average hours or wage was provided. Petitioner also indicated she receives income from tribal benefits per the cap, she was paid once already and there is a limit of twice per year. No amount was reported. Petitioner noted that the insurance checks from the car accident had ended. (Exhibit A, pp. 24-37)
7. A December 7, 2022 letter from National General stated it appeared that Petitioner was no longer seeking wage loss for injuries from the accident of July 6, 2022. (Exhibit A, p. 38)
8. On February 1, 2023, a Health Care Coverage Determination Notice was issued to Petitioner denying MA-HMP for December 1, 2022 and ongoing due to income in excess of the program limit. Petitioner's annual income was projected to be [REDACTED] and the applicable limit was \$18,074.70. (Exhibit A, pp. 39-42)
9. On February 1, 2022, the MA application was reinstated because Petitioner had provided all documentation that was requested. The worker noted that while Petitioner would not be eligible for MA in October 2022, she should be for November 2022. It was noted that the system was looking at other MA categories (low-income family and medical cost share) when it should be looking at MA-HMP and approving November because there was no income at that time. A Help Desk ticket was submitted. (Exhibit B, p. 1)
10. On February 2, 2023, the response from the Help Desk stated the denial is correct. MAGI eligibility is determined based on the yearly projection of the current circumstance. Petitioner exceeded the income limit at the time of application and still exceeds the income limit for the year with reprocessing. Based on the income in the current projection, the yearly expected earnings would be [REDACTED], which exceeds the HMP limit. (Exhibit A, p. 4)

11. On February 2, 2023, a Health Care Coverage Determination Notice was issued to Petitioner denying Healthy Michigan Plan (MA-HMP) for October 1, 2022 and ongoing due to income in excess of the program limit. Petitioner's annual income was projected to be [REDACTED] and the applicable limit was \$18,074.70. (Exhibit A, pp. 43-46)
12. On February 17, 2023, Petitioner filed a hearing request contesting the Department's determinations. (Exhibit A, p. 3)

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.

MA-HMP is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 137, p. 1. Modified adjusted gross income must be at or below 133 percent of the Federal Poverty Level (FPL). BEM 137, p. 4.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2021, p. 2.

In this case, the evidence indicates the Department only determined Petitioner's eligibility for the application months of October 2022 and December 2022. (Exhibit A, p. 4). The above cited BEM 105 policy is clear that MA eligibility is determined on a calendar month basis. Accordingly, it is appropriate for the Department to project an annual income based on the income for the month being tested to determine MA eligibility for that month. However, it does not appear that the policy supports only determining eligibility for the application month, particularly when the eligibility determination is being made several months after the application month and there is information that circumstances which may affect eligibility are changing on a month-to-month basis.

Further, the Health Care coverage determination notices issued in February 2023 state the denials are for the application month and ongoing. Specifically, the February 1, 2023 Health Care Coverage Determination Notice stated MA was denied for December 1, 2022 and ongoing and the February 2, 2023 stated MA was denied for October 1, 2022 and ongoing. (Exhibit A, pp. 39 and 43). Accordingly, it appears that the Department should have determined MA eligibility for each month, including any retroactive months applied for, as well as the application month through the month of the actual eligibility determination, presuming there was no information that the circumstances as of the determination month were expected to change.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's [REDACTED] 2022 and [REDACTED] 2022 applications for MA.


DECISION AND ORDER

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

THE DEPARTMENT 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. Redetermine Petitioner's eligibility for MA for the [REDACTED] 2022 and [REDACTED] 2022 applications in accordance with Department policy.

CL/ml



Colleen Lack
Administrative Law Judge

