



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], MI [REDACTED]

Date Mailed: April 21, 2023
MOAHR Docket No.: 23-001084
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 23, 2023, from Lansing, Michigan. [REDACTED] the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Lindsay Richardson and Marci Walker, Lead Workers.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-44.

ISSUE

Did the Department properly deny Petitioner's application 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 [REDACTED] 2022, Petitioner applied for MA and reported income from social security Retirement Survivors and Disability Insurance (RSDI) benefits of [REDACTED] monthly. (Exhibit A, pp. 7-12)
2. On [REDACTED] 2022 a Health Care Coverage Supplemental Questionnaire was issued. (Exhibit A, pp. 13-16)
3. On January 12, 2023 Petitioner submitted the Health Care Coverage Supplemental Questionnaire and reported RSDI income of [REDACTED] monthly. (Exhibit A, pp. 17-20)

4. The RSDI income Petitioner receives is a widower's benefit and nothing is taken out. (Exhibit A, p. 44)
5. The MA category Petitioner was potentially eligible for was Health Michigan Plan MA (MA-HMP).
6. The Department determined the Petitioner was not eligible for MA-HMP because his monthly income was higher than the allowable amount for a group size of one, [REDACTED]. (Exhibit A, pp. 4 and 40)
7. On February 6, 2023, a Health Care Coverage Determination Notice was issued stating MA was denied, including MA-HMP because the countable income exceeded the income limit for the group size. (Exhibit A, pp. 21-24)
8. On February 13, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 5-6)

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.

The Medicaid program comprises several sub-programs or categories. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2021, p. 1.

Petitioner was only potentially eligible for the Healthy Michigan Plan (MA-HMP) program. For example, based on the information reported on the application, Petitioner

was not under age 19, aged, blind, disabled, pregnant, or a parent or caretaker relative a dependent child. (Exhibit A, pp. 7-12)

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, June 1, 2020, p. 1.

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. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

Generally, the Department counts the gross RSDI benefit amount as unearned income. For Medicaid, countable RSDI for fiscal group members is the gross amount for the previous December when the month being tested is January, February, or March. Federal law requires the cost-of-living (COLA) increase received in January be disregarded for these three months. For all other months countable RSDI is the gross amount for the month being tested. For MAGI Medicaid, all RSDI income is countable to tax-filers and adults not claimed as dependents. BEM 501, January 1, 2023, pp. 29-30.

Effective April 2022, the FPL for a group size of one was an annual income of \$13,590.00 and 133% of the FPL was an annual income of \$18,074.70. (Exhibit A, p. 39). Effective April 2022, the FPL for a group size of one was a monthly income of \$1,132.50 and 133% of the FPL was a monthly income of \$1,506.23. (Exhibit A, p. 40).

On [REDACTED] 2022, Petitioner applied for MA and reported RSDI income of [REDACTED] monthly. (Exhibit A, pp. 7-12). On January 12, 2023 Petitioner submitted the Health Care Coverage Supplemental Questionnaire and reported RSDI income of [REDACTED] monthly. (Exhibit A, pp. 17-20). The RSDI income Petitioner receives is a widower's benefit and nothing is taken out. (Exhibit A, p. 44). The Department determined the Petitioner was not eligible for MA-HMP because his monthly income was higher than the allowable amount for a group size of one, \$1,506.23. (Exhibit A, pp. 4 and 40). Accordingly, on February 6, 2023, a Health Care Coverage Determination Notice was issued stating MA was denied, including MA-HMP because the countable income exceeded the income limit for the group size. (Exhibit A, pp. 21-24).

Petitioner's testimony described his financial situation, Petitioner noted he is stuck between a rock and a hard place. Petitioner indicated the poverty and income limits were a joke. (Petitioner Testimony)


Overall, it was uncontested that Petitioner's income from RSDI benefits exceeded the applicable income limit for MA-HMP. This Administrative Law Judge must review the Department's determination under the applicable policies and has no authority to change or make any exception to these policies.

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 application for Medical Assistance (MA).

DECISION AND ORDER

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

CL/ml



Colleen Lack
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 Electronic Mail :

DHHS
Lindsey Richardson
Eaton County DHHS
1050 Independence Blvd
Charlotte, MI 48813
**MDHHS-Eaton-County-
Hearings@michigan.gov**

Interested Parties

BSC2
M Schaefer
EQAD
MOAHR

Via First Class Mail :

Petitioner

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