



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
ACTING DIRECTOR

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Date Mailed: December 13, 2023
MOAHR Docket No.: 23-005123
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 hearing was held on November 13, 2023, via teleconference. ██████████, Petitioner and spouse of ██████████, appeared on behalf of herself. Tabatha McFarland, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) 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. Petitioner, ██████████ who is ██████████ spouse and household member, was an ongoing recipient of Healthy Michigan Plan (HMP) MA coverage. Effective August 1, 2023, MDHHS terminated Petitioner's HMP coverage due to a failure to return the renewal packet. MDHHS sent a notice informing Petitioner of the termination on July 20, 2023.
2. On ██████████, 2023, Petitioner applied for MA coverage (Exhibit A, p. 8).

3. On August 9, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Petitioner was approved for Plan First MA, limited coverage (Exhibit A, p. 15).
4. On August 14, 2023, Petitioner filed Request for A Hearing to dispute MDHHS' determination regarding her MA coverage (Exhibit A, pp. 3-5).

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).

Medicaid (MA) 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 MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2021), p. 1.

In this case, MDHHS terminated Petitioner's HMP MA coverage for failure to complete the annual renewal. Petitioner submitted a subsequent MA application and MDHHS approved her for Plan First MA, a limited MA coverage. MDHHS alleged that Petitioner was over the asset limit for HMP MA.

MDHHS must periodically redetermine or renew an individual's eligibility for active programs. BAM 210 (October 2022), p. 1. The redetermination or renewal process includes thorough review of all eligibility factors. *Id.* For MA, a redetermination is an eligibility review based on a reported change, whereas a renewal is the full review of eligibility factors completed annually. *Id.* Benefits stop at the end of the benefit period unless a renewal is completed, and a new benefit period is certified. *Id.*, p. 4.

Regarding Petitioner's alleged failure to complete the annual renewal process, Petitioner testified that she completed the renewal paperwork and dropped it off at a local MDHHS office on June 12, 2023. Although MDHHS did not have a record of Petitioner dropping off the documents, the undersigned ALJ finds Petitioner's testimony credible. Based on Petitioner's testimony, she acted in a timely manner to prevent an interruption in MA coverage. Accordingly, MDHHS should have processed the renewal in accordance with relevant laws and policies. Instead of processing the renewal, MDHHS terminated Petitioner's MA coverage, effective August 1, 2023. Petitioner reapplied for MA on [REDACTED] 2023 and MDHHS determined that that she was not eligible for HMP MA, the coverage that she was previously receiving, and approved her for Plan First MA, which is a limited coverage category.

The MA program includes several sub-programs or categories. BEM 105, p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MiChild, Flint Water Group, and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* To be eligible for HMP, an individual's net income cannot exceed 133% of the Federal Poverty Level (FPL).¹ RFT 246 (April 2014), p. 1. Plan First MA is a MAGI-related limited coverage MA group. BEM 124 (July 2023), p. 1. To be eligible for Plan First, the fiscal group's net income cannot exceed 195% of the FPL. *Id.*

To evaluate Petitioner's eligibility for MA, MDHHS must determine Petitioner's MA fiscal group size, net income and assets. MDHHS determines fiscal and asset groups separately for each person requesting MA. BEM 211 (July 2019), p. 5. Here, no evidence was presented that Petitioner was eligible for SSI-related MA based on age or disability. Therefore, she was potentially eligible for MAGI-related MA, including HMP and Plan First, providing that she met the other criteria.

MDHHS testified that Petitioner was not eligible for HMP MA because she was over the asset limit for HMP MA (Exhibit A, p. 1). However, there is no asset limit for MAGI-related MA categories, including HMP. BEM 400 (January 2023), p. 3. Therefore, this was not a valid reason to deny Petitioner's eligibility for HMP MA. Because MDHHS did not provide a proper justification to limit Petitioner's MA eligibility to Plan First, it did not satisfy its burden of showing that it properly determined Petitioner's eligibility for MA.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Petitioner's HMP MA coverage and subsequently determined that Petitioner was eligible for Plan First MA.

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>.

DECISION AND ORDER

Accordingly, MDHHS' 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. Reinstate Petitioner's MA case and redetermine Petitioner's eligibility for MA, effective August 1, 2023 ongoing;
2. If eligible, provide Petitioner with the most beneficial MA coverage, from August 1, 2023 ongoing; and
3. 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 Electronic Mail:

DHHS
Tara Roland 82-17
Wayne-Greenfield/Joy-DHHS
8655 Greenfield
Detroit, MI 48228
MDHHS-Wayne-17-hearings@michigan.gov

Interested Parties

BSC2
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner
[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]