



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

[REDACTED]
MI [REDACTED]

Date Mailed: October 12, 2023
MOAHR Docket No.: 23-005260
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On August 23, 2023, Petitioner, [REDACTED] requested a hearing to dispute the closure of his Food Assistance Program (FAP) benefits and Medical Assistance (MA). As a result, a hearing was scheduled to be held on October 4, 2023, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; 7 CFR 273.15; and Mich Admin Code, R 792.11002. Petitioner appeared with his spouse, Renisha [REDACTED] Respondent, Department of Health and Human Services (Department) had Danielle Moton, Assistance Payments Worker, appear as its representative. Neither party had any additional witnesses.

One exhibit was admitted into evidence during the hearing. A 40-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUES

Did the Department properly close Petitioner's FAP benefits?

Did the Department properly close Petitioner's 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. The Department reviewed Petitioner's case and erroneously budgeted Petitioner's income.
2. Petitioner is paid gross pay of [REDACTED] biweekly.

3. The Department budgeted Petitioner's income as if it was paid weekly when it was actually paid biweekly. This caused the Department to overbudget Petitioner's earned income.
4. When the Department overbudgeted Petitioner's earned income, the Department determined that Petitioner's income exceeded the limit to be eligible for FAP benefits and MA.
5. The Department initiated the closure of Petitioner's FAP benefits and MA.
6. On July 11, 2023, the Department mailed a notice of case action to Petitioner to notify him that his FAP benefits were going to close effective August 1, 2023, because his income exceeded the program limit.
7. On August 16, 2023, the Department mailed a health care coverage determination notice to Petitioner to notify him that his MA was going to close effective September 1, 2023, because his income exceeded the program limit. The notice also advised Petitioner that [REDACTED] was not eligible for MA, [REDACTED] was not eligible for MA, and [REDACTED] was not eligible for MA.
8. On August 23, 2023, Petitioner requested a hearing to dispute the closure of his FAP benefits and MA.
9. The Department reviewed Petitioner's case and determined that it erroneously overbudgeted Petitioner's income.
10. The Department redetermined Petitioner's eligibility for FAP and MA.
11. On September 1, 2023, the Department issued a notice of case action to Petitioner to notify him that he was approved for FAP benefits effective August 1, 2023.
12. On September 1, 2023, the Department issued a health care coverage determination notice to Petitioner to notify him that he was eligible for full-coverage MA effective August 1, 2023. The notice also advised Petitioner that [REDACTED] was eligible for full-coverage MA effective August 1, 2023, [REDACTED] was eligible for full-coverage MA effective August 1, 2023, [REDACTED] was eligible for limited coverage MA effective August 1, 2023, and [REDACTED] was eligible for MA on another case.
13. Petitioner is disputing the Department's decision to find [REDACTED] eligible for limited coverage MA.
14. [REDACTED] previously had full-coverage MA.

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).

FOOD ASSISTANCE

The Food Assistance Program (FAP) is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

The Department erroneously overbudgeted Petitioner's income when the Department budgeted Petitioner's earned income as weekly when it was actually received biweekly. This caused the Department to close Petitioner's FAP benefits effective August 1, 2023. The Department did not properly close Petitioner's FAP benefits because the Department did not properly budget Petitioner's earned income. However, the Department has corrected the budget and reinstated Petitioner's FAP benefits effective the date of the closure, so Petitioner has not missed any FAP benefits that he was eligible to receive. Since the Department has reinstated Petitioner's FAP benefits, no further action is required from the Department.

MEDICAL ASSISTANCE

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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The Department erroneously overbudgeted Petitioner's income when the Department budgeted Petitioner's earned income as weekly when it was actually received biweekly. This caused the Department to close Petitioner's MA effective September 1, 2023. The Department did not properly close Petitioner's MA because the Department did not properly budget Petitioner's earned income. The Department has corrected the budget and reinstated Petitioner's MA effective the date of the closure, so Petitioner has not had any lapse in coverage. However, the Department found [REDACTED] was only eligible for limited coverage MA, and she previously had full-coverage MA. Petitioner is disputing the Department's decision to find [REDACTED] eligible for limited coverage MA.

Health care coverage for adults is available through various programs, including the Healthy Michigan Plan. In order for an individual to be eligible for health care coverage under the Healthy Michigan Plan, the individual must be age 19 to 64 and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (June 1, 2020), p. 1. However, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500 (April 1, 2022), p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the group size. *Id.* at 5.

The household size is determined based on tax filer and tax dependent rules. BEM 211 (July 1, 2019), p. 1. For tax filers, the household size includes the tax filer, the tax filer's spouse, and all dependents claimed. *Id.* at 1-2.

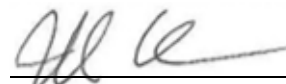
The Department found Petitioner eligible for coverage under Healthy Michigan, so the Department must have determined that Petitioner's household income was within the program limit. Since Petitioner's household income was within the program limit, and since [REDACTED] was a member of Petitioner's household, [REDACTED] household income should have been within the program limit too. [REDACTED] should be eligible for coverage under Healthy Michigan as long as [REDACTED] is aged [REDACTED] and not eligible for Medicare or any other MA coverage.

DECISION AND ORDER

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 did not act in accordance with its policies and the applicable law when it closed Petitioner's Food Assistance Program benefits and Medical Assistance.

IT IS ORDERED, the Department's decision is **REVERSED**. The Department shall redetermine [REDACTED] eligibility for full-coverage MA, and then the Department shall issue a new health care coverage determination notice to notify Petitioner of [REDACTED] eligibility for full-coverage MA. The Department shall begin to implement this decision within 10 days of the date of mailing of this decision and order.

JK/ml



Jeffrey Kemm
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

BSC4
M Holden
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M Schaefer
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Via First Class Mail:

Petitioner

[REDACTED]
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[REDACTED] MI [REDACTED]