



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: November 9, 2023
MOAHR Docket No.: 23-006731
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On September 22, 2023, Petitioner, [REDACTED] requested a hearing to dispute a Medical Assistance (MA) denial. As a result, a hearing was scheduled to be held on November 7, 2023, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; and Mich Admin Code, R 792.11002. Petitioner appeared at the hearing and represented herself. Respondent, Department of Health and Human Services (Department), had Gregory Walker, Assistance Payments Supervisor, 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.

ISSUE

Did the Department properly deny Petitioner 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. Petitioner is between [REDACTED] years old.
2. Petitioner is not eligible for Medicare coverage.
3. Petitioner is single, and Petitioner does not have any dependents.
4. Petitioner is employed in a seasonal position at [REDACTED]

- a. From January through March, Petitioner generally does not work and collects unemployment compensation benefits.
 - b. From April through August, Petitioner generally works an average of 30 hours per week at [REDACTED] per hour.
 - c. From September through November, Petitioner generally works a maximum of 10 hours per week at [REDACTED] per hour.
 - d. In December, Petitioner generally does not work and collects unemployment compensation benefits.
5. In 2022, Petitioner received gross wages of [REDACTED] from her employment, and Petitioner received gross benefits of [REDACTED] from unemployment compensation.
 6. On August 15, 2023, Petitioner submitted an application for healthcare coverage.
 - a. Petitioner reported that she receives [REDACTED] to [REDACTED] per year from her employment.
 - b. Petitioner reported that she did not receive any other income, including unemployment compensation.
 7. The Department budgeted Petitioner's household income based on the information it obtained for Petitioner, and the Department determined that Petitioner's income exceeded the limit to be eligible for MA.
 8. On August 15, 2023, the Department issued a notice of case action to notify Petitioner that she was eligible for limited coverage MA through Plan First, effective July 1, 2023.
 9. Petitioner requested a hearing to dispute the Department's decision.

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

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. Here, Petitioner has a household size of one because Petitioner is single with no dependents.

The FPL for a household size of one in 2023 is \$14,580.00. 88 FR 3424 (January 19, 2023). Since the applicable FPL is \$14,580.00, 133% of the FPL is \$19,391.40, and 133% with a 5% disregard is \$20,120.40. Thus, the income limit for Petitioner to be eligible for health care coverage under the Healthy Michigan Plan is \$20,120.40 per year. Income eligibility is based on modified adjusted gross income (MAGI) for Healthy Michigan. BEM 137, p. 1 and 7 CFR 435.603. MAGI is defined as adjusted gross income increased by (1) excluded foreign income, (2) tax exempt interest, and (3) the amount of social security benefits excluded from gross income. 26 USC 36B(d)(2)(B). Adjusted gross income is that which is commonly used for Federal income taxes, and it is defined as gross income minus deductions for business expenses, losses on the sale or exchange of property, retirement contributions, and others. 26 USC 62.

The Department begins its income determination by examining a client's self-reported income. BEM 500 at 5. If the client's self-reported income is over the income limit, then the client is ineligible. *Id.* If the client's self-reported income is below the income limit, the Department compares the client's self-reported income to income obtained from trusted sources to determine if the two are compatible. *Id.* Income is compatible if the difference between the two is 10% or less. *Id.* If the two are compatible, then the Department uses the client's self-reported income. *Id.* If the two are not compatible and the income obtained from trusted sources is over the income limit, then the Department requires the client to provide proof of the self-reported income. *Id.* at p. 5-6.

Here, Petitioner self-reported that she received income of no more than [REDACTED] per year. Petitioner's self-reported income was below the income limit. Based on the evidence presented, Petitioner's income in 2022 was [REDACTED]. Additionally, there is no reason to believe that Petitioner's income in 2023 will be much different from her income in 2022 because Petitioner has the same source of income. Thus, it is reasonable to conclude that Petitioner's annual income is [REDACTED]. Petitioner's income is less than the income limit to be eligible for health care coverage under the Healthy Michigan Plan, so the Department did not properly find that Petitioner's income exceeded the limit to be eligible for MA.

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 found Petitioner ineligible for Medical Assistance.

IT IS ORDERED the Department's decision is **REVERSED**. The Department shall redetermine Petitioner's eligibility for coverage under the Healthy Michigan Plan consistent with this decision. The Department shall begin to implement this decision within 10 days of the date of mailing of this decision and order.



Jeffrey Kemm
Administrative Law Judge

JK/ml

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

Greg Walker - 60
Montmorency County DHHS
13210 M-33
Atlanta, MI 49709

MDHHS-GR8North-Hearings@michigan.gov

Interested Parties

BSC1
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]