



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: March 18, 2024
MOAHR Docket No.: 23-009897
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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 February 28, 2024, via telephone conference line. Petitioner appeared at the hearing. The Department of Health and Human Services (Department) was represented by Danielle Moton, Assistance Payments Worker.

ISSUE

Did the Department properly determine Petitioner's Medicaid (MA) eligibility?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of November 2023, Petitioner was an ongoing recipient of MA benefits under the Healthy Michigan Plan (HMP) in a group that only included herself.
2. On [REDACTED], 2023, the Department received Petitioner's MA application, which it treated as a redetermination in connection with assessing Petitioner's ongoing MA eligibility for January 1, 2024 ongoing.
3. Petitioner is unmarried, [REDACTED] years old, not caring for a minor child in the home, and a non-tax-filer.

4. During the period of review, Petitioner had the following income:

November 9, 2023
November 17, 2023
November 24, 2023
December 1, 2023



5. On December 12, 2023, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner indicating that based on her household total countable annual income amount, she was no longer eligible for full coverage MA but instead was approved for Plan First (PF-MA) coverage effective January 1, 2024.
6. On December 22, 2023, the Department received Petitioner's request for hearing disputing the Department's reduction of her MA coverage indicating a financial hardship due to increased life expenses.

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.

Petitioner is disputing the Department's decision to find her ineligible for full coverage MA through the Healthy Michigan Plan (HMP).

MAGI-RELATED PROGRAMS: HMP

Because Petitioner is not age 65 or older, blind or disabled, under age 19, the parent or caretaker of a minor child, or pregnant or recently pregnant, Petitioner was potentially eligible for MA coverage under HMP. HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

In this case, the Department concluded that Petitioner was not eligible for HMP due to having income that exceeded the applicable income limit for Petitioner's group size. An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status. In this case, Petitioner indicated that she is a non-filer, with no dependents. For HMP purposes, Petitioner has a household size of one. BEM 211 (October 2023), pp. 1-2.

The annual FPL for a household size of one in 2023 was \$14,580.88 CFR 3424 (January 19, 2023). 133% of the annual FPL, the HMP income limit, in 2023 (which was the FPL available to the Department at the time it assessed Petitioner's MA eligibility) for a household with one member is \$19,391, or \$1,615.92 monthly. See <https://aspe.hhs.gov/poverty-guidelines>. A 5% disregard that increases the income limit by an amount equal to 5% of the FPL for the group size is available to make eligible those individuals who would otherwise not be eligible. BEM 500 (April 1, 2022, p. 5). The 5% disregard would increase the HMP income limit for Petitioner to \$20,360.55, or \$1,676.67 per month. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$20,360.55, or \$1,676.67 per month.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500 (April 2022), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. *Id.* To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS Tax Form 1040, 1040-SR or 1040-NR at line 11. See <https://www.healthcare.gov/glossary/adjusted-gross-income-agi>. Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, childcare, or retirement savings. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>. MDHHS considers *current* monthly income and family size (except for individuals who report seasonal work and complete a projected annual income field on the MA application to show work for only a portion of the year with reasonably predictable changes in income within the upcoming 12 months). Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1, 2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018 available at https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf

With her application, Petitioner submitted four paystubs showing she is paid on a weekly basis at an hourly rate of \$ [REDACTED] per hour. Exhibit A, pp. 18-22. Using the most recent 30-day period prior to the filing of Petitioner's application, Petitioner had monthly income of \$ [REDACTED], which is the sum of the gross income for paychecks dated November 9, 2023 (for \$ [REDACTED]); November 17, 2023 (for \$ [REDACTED]); November 24, 2023 (for \$ [REDACTED]); and December 1, 2023 (for \$ [REDACTED]). *Id.* A review of Petitioner's submitted

paystubs revealed no deductions for child care, medical insurance, or retirement savings. Thus, Petitioner's countable gross income for MAGI purposes for was \$ [REDACTED] per month, or \$ [REDACTED] annually. With a group size of one, Petitioner's countable income exceeds the HMP income limit of \$1,615.95 per month and Petitioner is not eligible for HMP. Even if the 5% disregard is considered, Petitioner's household income exceeds the HMP elevated monthly threshold of \$1,676.67. Therefore, the Department properly concluded that Petitioner was not eligible for HMP based on the 2023 FPL.¹

MAGI-RELATED PROGRAMS: PLAN FIRST

PF-MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage (not emergency services only (ESO)) residing in Michigan whose fiscal group's net income does not exceed 195% of the federal poverty level (FPL) and meets the other eligibility criteria. BEM 124 (July 2023), p. 1. There are no age or gender restrictions to PF-MA eligibility. BEM 124, p. 1.

Like HMP, determination of an individual's PF-MA eligibility requires consideration of the fiscal group size and income. BEM 124, pp.1-2. As discussed above, Petitioner, who does not file taxes and claims no dependents, has a MAGI-related MA household size of one. BEM 211 (October 1, 2023), pp. 1-2. 195% of the annual FPL in 2023, for a household with one member is \$28,431. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for PF-MA, Petitioner's annual income cannot exceed \$28,431, or \$2,369.25 per month.

Petitioner's monthly MAGI-related income of \$ [REDACTED] is below the PF-MA income limit. Therefore, the Department properly determined that Petitioner was income-eligible for coverage under PF-MA. Additionally, although Petitioner expressed concerns at the hearing about a recent decrease in work hours, Petitioner did not report this change to the Department. The Department representative explained the process for reporting changes to the Department to Petitioner.

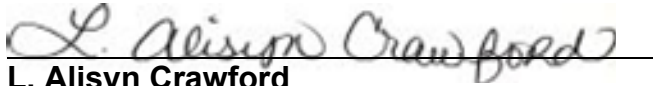
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it determined that Petitioner was no longer income-eligible for HMP based on the 2023 FPL and instead she met the eligibility standards under PF-MA.

¹ However, the FPL for 2024 increased from the FPL applicable in 2023. Although the Department only had access to the 2023 FPL at the time it made its determination concerning Petitioner's MA coverage, because the redetermination of Petitioner's ongoing MA coverage covered the period beginning January 1, 2024 ongoing, and a higher FPL applies in 2024 than 2023, Petitioner's eligibility for MA under HMP should be considered under the 2024 FPL.

DECISION AND ORDER

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

LC/ml


L. Alisyn Crawford
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
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Interested Parties

BSC4
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EQAD

Via First Class Mail:

Petitioner

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