[redacted]

Date Mailed: April 12, 2024
MOAHR Docket No.: 24-000745
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 14, 2024, from Lansing, Michigan. [redacted] the Petitioner appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Jeanne Lugo, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-15.

ISSUE

Did the Department properly determine Petitioner's eligibility 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 October [redacted] 2023, Petitioner submitted a Renew Benefits for her MA case. Petitioner reported changes of adding a spouse and that she is disabled and no longer working. (Exhibit A, pp. 5-10)

2. The Department determined that Petitioner's income exceeded the limit for ongoing full coverage MA benefits. (Exhibit A, pp. 1 and 15; APS Testimony)

3. On December [redacted] 2023, a Health Care Coverage Determination Notice was issued to Petitioner indicating she was not eligible for full coverage MA effective January 1,

2024, but Petitioner was eligible for limited coverage under the Plan First program. (Exhibit A, pp. 11-14)

4. On January 13, 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-4)

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 comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MIChild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. 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, 2024, p. 1.

Plan First 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 residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

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, January 1, 2024, 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, 2024, 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.

The 2023 FPL for the 48 contiguous states and the District of Columbia for a group size of two is an annual income of $19,720. Accordingly, 133% of FPL is $26,227.60 for a group size of two. Divided by 12, this would equate to $2,185.63 per month.

In this case, the Department utilized the income information provided on the Redetermination to determine eligibility for MA. Petitioner reported her spouse works at [redacted] 35 hours per week earning $[redacted] per hour. (Exhibit A, p. 8). Accordingly, the Department determined that the household monthly income exceeded the applicable income limit for MA-HMP.

However, Petitioner also reported that she is disabled and had applied for disability benefits with the Social Security Administration (SSA) on the Renew Benefits. (Exhibit A, pp. 5-6 and 10).

Accordingly, Petitioner was not only potentially eligible for full coverage MA under the Healthy Michigan Plan (MA-HMP) category. Based on the information reported on the application, MA eligibility should have also been considered based on the reported disability. The APS testified that the Department did not review eligibility for MA based on disability because the Petitioner has not yet been approved for disability benefits by the SSA and she had not submitted an application for cash assistance. (APS Testimony).

Pursuant to BAM 220 the Department must periodically redetermine or renew an individual's eligibility for active programs. The redetermination/renewal process includes thorough review of all eligibility factors. A redetermination is an eligibility review based on a reported change and a renewal is the full review of eligibility factors completed annually. BAM 201, January 1, 2024, p. 1. An ex parte review (see Glossary) is required before Medicaid closures when there is an actual or anticipated change, unless the change would result in closure due to ineligibility for all Medicaid. BAM 201, January 1, 2024, p. 1. When an ex parte review of a client's current Medicaid eligibility case file shows the recipient indicated or demonstrated a disability (see Glossary), continue Medicaid until information needed to proceed with a disability determination has been requested and reviewed. Continue Medicaid coverage until the review of possible eligibility under other Medicaid categories has been completed. BAM 115, January 1, 2024, p. 9.

In this case, the changes reported at renewal indicated Petitioner was no longer eligible for full coverage MA under the HMP category based on household income. However, given the reported changes that Petitioner is no longer working because she is disabled and had applied for disability benefits with the SSA, the Department should have begun the process to review potential eligibility for MA based on disability. Typically, this would involve sending a request to Petitioner to provide the additional information that would be required to review eligibility for MA based on disability, such as verification of her application for disability benefits with SSA and medical documentation. This ALJ has not found any policy that requires an individual to apply for cash assistance with the Department to be considered for MA eligibility based on disability. Similarly, no requirement was found that the SSA must first find Petitioner disabled, only that Petitioner pursue SSA disability benefits. See BAM 815, April 1, 2018, pp. 1; BEM 270, July 1, 2020, pp. 6-7.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for MA.

DECISION AND ORDER

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

THE DEPARTMENT 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. Redetermine Petitioner's eligibility for MA as of the January 1, 2024 effective date in accordance with Department policy.

Colleen Lack

CL/dm

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
Amber Gibson
Ingham County DHHS
MDHHS-Ingham-Hearings@michigan.gov

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Via-First Class Mail :

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