



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

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████████████████████, MI ██████████

Date Mailed: March 21, 2024
MOAHR Docket No.: 24-000909
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 via telephone conference on March 18, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly determine that Petitioner was not income eligible for Medicaid (MA) coverage under the Healthy Michigan Plan (HMP)?

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 was an ongoing recipient of MA under HMP.
2. During a December 2023 MA redetermination, the Department reassessed Petitioner’s ongoing MA eligibility.
3. At the time of the redetermination, Petitioner was █████ years old and earned █████ monthly as a home help provider to her adult disabled daughter (Daughter) who lives with Petitioner. (Exhibit A, pp. 12-13)
4. Petitioner is a tax filer and claims Daughter as a dependent.
5. On February 7, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice notifying her that effective February 1, 2024 she was no

longer income eligible for MA coverage under HMP based on her annual income of [REDACTED] and her single-person household size and she was eligible for MA under the Plan First Family Planning (PFFP) limited coverage program.

6. On January 19, 2024, the Department received Petitioner's request for hearing disputing 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).

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.

Upon reviewing Petitioner's eligibility criteria at redetermination, MDHHS concluded that Petitioner was no longer eligible for HMP due to excess income and was eligible for MA coverage under only the PFFP program. Petitioner disputes this coverage.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Because Petitioner was 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 only under HMP. HMP is a Modified Adjusted Gross Income (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, MDHHS 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 filed taxes and claimed Daughter, who was ■ years old and disabled, as her tax dependent. A permanently and totally disabled child, regardless of age, may qualify as a tax dependent. See <https://www.irs.gov/credits-deductions/individuals/dependents>. Therefore, for HMP purposes, Petitioner has a household size of 2. BEM 211 (October 2023), pp. 1-2. 133% of the annual FPL in 2023 (the year the redetermination took place) for a household with two members is \$26,227.60. See <https://www.federalregister.gov/documents/2023/01/19/2023-00885/annual-update-of-the-hhs-poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's household's annual income cannot exceed \$26,227.60.

At the hearing, the Department acknowledged that Petitioner had notified the Department that she filed taxes and claimed Daughter as a tax dependent. However, both the February 7, 2024 Health Care Coverage Determination Notice sent to Petitioner and the internal documentation concerning Petitioner's MAGI Determination Group (Exhibit A, pp. 8-11, 14) showed that the Department determined Petitioner's MA eligibility for HMP based on a single-person group size rather than a two-person group size, and the Department had no explanation for this discrepancy. By failing to consider Petitioner's MAGI-income based on a two-person group size and to provide a policy basis for applying the income limit for a one-person group size to determining Petitioner's MA eligibility, the Department failed to satisfy its burden of showing that Petitioner was not income eligible for HMP and that the most beneficial MA program available to her was limited to PFFP.

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 that Petitioner was not income eligible for MA coverage under HMP.

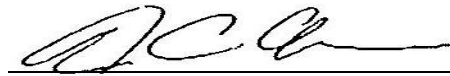
DECISION AND ORDER

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. Reprocess Petitioner's MA eligibility for February 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial MA coverage she is eligible to receive from February 1, 2024 ongoing; and
3. Notify Petitioner in writing of its decision.

ACE/pt



Alice C. Elkin
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 Schaefer
EQAD Hearings
MOAHR

Via-First Class Mail:

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