



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
DIRECTOR



Date Mailed: March 26, 2024
MOAHR Docket No.: 24-001446
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 21, 2024, from Detroit, Michigan. Petitioner appeared for the hearing with his daughter [REDACTED] who served as Authorized Hearing Representative (AHR) and Arabic interpreter. The Department of Health and Human Services (Department) was represented by Sunshine Simonson, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) benefits?

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 previously approved for MA under the Healthy Michigan Plan (HMP).
2. In connection with a redetermination, Petitioner's eligibility to receive MA benefits was reviewed. (Exhibit A, pp. 8-10)
3. Petitioner confirmed: that he is under age [REDACTED] that he has not been determined disabled; that he is not enrolled in Medicare; that he is not the parent or caretaker of a minor child; that he files a tax return jointly with his spouse; that he is not claiming any dependents on his tax return; and that he is not claimed as a dependent on another individual's tax return. Therefore, Petitioner's household size for MA purposes is two.

4. Petitioner is employed and earns income weekly. Petitioner submitted pay stubs with his redetermination. According to the pay stubs presented, Petitioner was paid gross earnings of █████ on September 8, 2023; █████ on September 15, 2023; █████ on September 22, 2023; and █████ on September 29, 2023. (Exhibit A, pp.11-14)
5. On or around October 19, 2023, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising that effective November 1, 2023, Petitioner was approved for MA under the limited coverage Plan First (PF) MA program. (Exhibit A, pp. 25-28)
6. Although not reflected on the Notice, the Department asserted that Petitioner was ineligible for MA under the full coverage Healthy Michigan Plan (HMP) category due to excess income. (Exhibit A, pp. 23-24)
7. On or around February 2, 2024, Petitioner requested a hearing disputing the Department's actions with respect to his MA benefits. Specifically, Petitioner disputed the Department's determination that his was eligible for only limited coverage MA under the Plan First category. (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.

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 (July 2021), p. 1; BEM 137 (June 2020), 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 (January 2021), p. 2; 42 CFR 435.404.

In this case, 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, the Department testified that Petitioner was potentially eligible for MA coverage under full coverage HMP or the limited coverage Plan First Medicaid category.

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.

The Department representative testified that Petitioner was not eligible for HMP because his income exceeded the applicable income limit for his 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 and dependents. Family size means the number of persons counted as members of an individual's household. 42 CFR 435.603(b). Petitioner files taxes jointly with his wife and does not claim any dependents. Therefore, for HMP purposes, Petitioner has a household size of two. The FPL for a group size of two in 2023 is \$19,720. 133% of the annual FPL in 2023, the year in which the redetermination was completed, for a household with two members is \$26,228. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$26,228, and thus, the monthly income cannot exceed \$2,185.66, as a current beneficiary. Additionally, Department policy provides that if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2; BEM 500 (April 2022), pp. 3-5. With the 5% disregard applied, the household income limit is [REDACTED] or [REDACTED] monthly.

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 at line 37, form 1040 EZ at line 4, and form 1040A at line 21. 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, child care, 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.

In this case, the Department representative testified that in calculating Petitioner's monthly MAGI from employment, it relied on the paystubs submitted with Petitioner's redetermination. Specifically, the Department considered Petitioner's gross earnings of ██████ received on September 8, 2023; ██████ received on September 15, 2023; ██████ received on September 22, 2023; and ██████ received on September 29, 2023. (Exhibit A, pp.11-14). There were no federal taxable wages identified on the pay stubs and no evidence that Petitioner's employer withholds funds for health coverage, childcare, or retirement savings. Therefore, the Department properly considered Petitioner's gross income. While Petitioner testified that his job is slow and that he sometimes works reduced hours, Petitioner did not dispute that the income amounts relied upon by the Department were accurate at the time the redetermination was completed. Petitioner was informed that updated paystubs could be submitted, and a more current MA eligibility determination would be made by the Department.


Upon review, in consideration of Petitioner's gross wages which totaled ██████, or \$█████ annually, the Department properly concluded that Petitioner's household income is greater than the income limit identified above. Thus, the Department properly concluded that Petitioner was ineligible for full coverage MA benefits under the HMP and that he was eligible for limited coverage MA under the Plan First Medicaid (PF-MA) category, which has an income limit to not exceed 195% of the FPL, \$38,454 annually, or \$3,204.50. BEM 124 (July 2023), p. 1

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 Petitioner's MA eligibility.

DECISION AND ORDER

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

ZB/ml



Zainab A. Baydoun
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

Via First Class Mail:

Interested Parties
M Schaefer
EQAD
MOAHR

Petitioner

[REDACTED]
MI