



GRETCHEN WHITMER
GOVERNOR

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

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DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: May 16, 2024
MOAHR Docket No.: 24-003630
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 line on May 8, 2024. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Lori Turner, specialist.

ISSUE

The issue is whether MDHHS properly determined Petitioner's daughter's Medical Assistance (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 October 2023, Petitioner's daughter, [REDACTED] [REDACTED] (hereinafter, "Daughter") was an ongoing recipient of unlimited-coverage MA benefits under the Healthy Michigan Plan (HMP).
2. As of October 2023, Daughter was 19-65 years of age, unmarried, not pregnant, not a caretaker to a minor child, and a tax filer with no dependents.
3. On October 19, 2023, MDHHS received income documents verifying that Daughter received \$ [REDACTED] in wages within the last 30 days.

4. On March 20, 2024, MDHHS determined Daughter was eligible for the limited-coverage MA category of Plan First beginning May 2024.
5. On March 26, 2024, Petitioner requested a hearing to dispute the determination of Daughter's MA eligibility.

CONCLUSIONS OF LAW

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute Daughter's MA eligibility. Exhibit A, p. 3. A Health Care Coverage Determination Notice dated March 20, 2024, stated that Daughter was eligible for the limited coverage MA category of Plan First beginning May 2024.¹ Exhibit A, pp. 6-11. Petitioner contended that Daughter should be eligible for an MA category with unlimited-coverage.

Medicaid is also known as MA. BEM 105 (October 2023) p. 1. The MA program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

MDHHS credibly testified that Daughter's MA eligibility was scheduled for a redetermination around October 2023.² The evidence suggested that Daughter was between the ages of 21-65 years, not pregnant, not a caretaker to minor children, and not a Medicare recipient. Under the circumstances, Daughter is potentially eligible for full-coverage Medicaid only through the MAGI-related category of HMP.

¹ Plan First is a MAGI-related limited-coverage MA category available to any United States citizen or individual with a qualified immigration status. BEM 124 (July 2023) p. 1. Plan First coverage is a "limited-coverage" because it only covers family planning services such as birth control (see form DCH-2840-MSA).

² MDHHS could not explain why Daughter's MA eligibility were not redetermined until March 2024.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code.³ 42 CFR 435.603(e). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603(h). MDHHS has chosen to determine HMP eligibility based on current monthly income.⁴

Modified adjusted gross income can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.⁵ Common deductions and disregards which should be factored in determining a person's adjusted gross income include alimony payments, unreimbursed business expenses, Health Savings Account (e.g., 401k) payments, and student loan interest.⁶

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (July 2019) p. 1. Generally, the household for an individual who is a tax dependent of someone else, consists of the household of the tax filer claiming the individual as a tax dependent. *Id.*, p. 2. It was not disputed that Daughter was an unmarried tax filer and claimed no dependents. Under the circumstances, Daughter is the only individual in the MAGI-MA benefit group.

MDHHS received income documents from Daughter verifying gross biweekly wages of \$879 and \$884 (dropping cents). Exhibit A, pp. 14-15. Adding the income and dividing by 2 results in an average biweekly income of [REDACTED] (dropping cents). Multiplying the income by 26 and dividing by 12 results in an average gross monthly income of \$ [REDACTED] (dropping cents). MDHHS factored a slightly more favorable income of \$ [REDACTED] Exhibit A, p. 18. For purposes of this decision, MDHHS's calculation will be accepted as correct.

HMP income limits are based on 133% of the federal poverty level. RFT 246 (April 2014) p. 1. Also, MDHHS applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (July 2017) p. 5. Thus, HMP income limits are functionally 138% of the FPL. The 2024 federal poverty level for a 1-person benefit group residing in Michigan is \$15,060.⁷ Multiplying the FPL by 1.38 results in an income limit of \$20,782.80 (\$1,731.90 per month). Daughter's benefit group's

³ Income exceptions are made for lump-sums which are counted as income only in the month received; scholarships, awards, or fellowship grants used for education purposes and not for living expenses; and various exceptions for American Indians and Alaska natives. No known exceptions are applicable to the present case.

⁴ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

⁵ <https://www.investopedia.com/terms/a/agi.asp>

⁶ *Id.*

⁷ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

income exceeded the HMP income limit.⁸ Presumably, Daughter's income is within the income guidelines of the limited coverage MA category of Plan First.⁹ Given the evidence, MDHHS properly determined Petitioner was ineligible for HMP or other unlimited-coverage MA programs.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Daughter to be eligible only for the limited-coverage MA category of Plan First beginning May 2024. The actions of MDHHS are **AFFIRMED**.

CG/nr



Christian Gardocki

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

⁸ During the hearing, Petitioner stated that Daughter's monthly income has since decreased. Petitioner's statement was interpreted as a reporting of an income decrease which should result in an updated determination by MDHHS.

⁹ Eligibility for Plan First requires an income within 195% of the federal poverty level BEM 124 (July 2023)
p. 2.

Via-Electronic Mail :

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Interested Parties

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