



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

Date Mailed: May 13, 2024
MOAHR Docket No.: 24-003640
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 Angel Johnson, specialist.

ISSUE

The issue is whether MDHHS properly determined 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 December 2023, Petitioner was an ongoing recipient of unlimited-coverage Medicaid.
2. From December 6, 2023, through January 5, 2024, Petitioner received gross biweekly income on two pay dates which averaged \$ [REDACTED] (dropping cents).
3. On January 5, 2024, Petitioner submitted a Redetermination form to MDHHS which reported being 19-65 years of age, unmarried, not pregnant, and not a caretaker to a minor child.
4. As of January 2024, Petitioner was a tax filer with no dependents.

5. On January 11, 2024, MDHHS determined Petitioner was eligible for the limited-coverage MA category of Plan First beginning February 2024.
6. On March 27, 2024, Petitioner requested a hearing to dispute the determination of MA benefits.

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 a determination of MA benefits. Exhibit A, pp. 4-5. A Health Care Coverage Determination Notice dated January 11, 2024, stated that Petitioner was eligible for the limited coverage MA category of Plan First beginning February 2024.¹ Exhibit A, pp. 22-24.

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.*

Petitioner submitted to MDHHS a Redetermination on January 5, 2024, and reported being between the ages of 21-65 years, not pregnant, not a caretaker to minor children, and not a Medicare recipient. Exhibit A, pp. 9-15. Given the circumstances, Petitioner 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 considered a "limited-coverage" because it only covers family planning services such as birth control (see form DCH-2840-MSA).

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.² 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.³

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.⁴ 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.⁵

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (July 2019) p. 1. Petitioner's testimony implied that he was a single tax filer with no dependents. Under the circumstances, Petitioner's MAGI benefit group size is one person.

MDHHS testified it calculated Petitioner's annual income as \$ [REDACTED] MDHHS credibly testified it initially determined Petitioner's eligibility based on a 30-day period beginning December 6, 2023.⁶ Over the next 30 days, Petitioner received gross biweekly income of \$741 and \$871 (dropping cents). Exhibit A, pp. 17-20. Adding the income and dividing by 2 results in an average biweekly income of \$806 (dropping cents). Multiplying the income by 26 results in an annual gross income of \$ [REDACTED] MDHHS factored a slightly lower annual income of \$ [REDACTED] (see Exhibit A, p. 22. For purposes of this decision, the lower income of \$ [REDACTED] 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

² 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.

³ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

⁴ <https://www.investopedia.com/terms/a/agi.asp>

⁵ *Id.*

⁶ After Petitioner requested a hearing, Petitioner reported an income change resulting in MDHHS recalculating Petitioner's income. MDHHS testified it factored Petitioner's more recent gross biweekly wages which resulted in a higher annual income of \$ [REDACTED] Thus, no change was made to Petitioner's MA eligibility.

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

in an income limit of \$ [REDACTED] Petitioner's group's income of \$ [REDACTED] barely exceeded the income limit.⁸ Presumably, the group's income is within the income guidelines of the limited coverage MA category of Plan First (see BEM 124). 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 Petitioner to be eligible only for the limited-coverage MA category of Plan First beginning February 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 his monthly income has since decreased. Petitioner's statement was interpreted as a change report which should result in an updated determination by MDHHS.

Via-Electronic Mail :

DHHS

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Interested Parties

Oakland 2 County DHHS
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Via-First Class Mail :

Petitioner

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