



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], MI [REDACTED]

Date Mailed: June 21, 2024  
MOAHR Docket No.: 24-004278  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner**

### **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 by telephone on May 23, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Jennifer Richard, Assistance Payment Supervisor.

### **ISSUE**

Did the Department properly deny Petitioner Medicaid (MA) coverage effective April 1, 2024 ongoing due to excess income?

### **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 March 1, 2024, the Department received a completed MA redetermination application from Petitioner with a letter from Petitioner's employer stating her hourly rate and hours worked per week. (Exhibit A, pp. 1, 7 – 14).
2. On March 13, 2024, the Department retrieved a Work Number report<sup>1</sup> through Equifax. (Exhibit A, pp. 1, 15 – 18).

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<sup>1</sup> The Work Number is a third-party database which receives income information directly from an applicant's employer and is accessed using the applicant's Social Security Number.

3. On March 14, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) denying Petitioner MA coverage due to excess income, effective April 1, 2024. (Exhibit A, pp. 20 – 23).
4. On April 10, 2024, the Department received a request for hearing from Petitioner regarding denial of MA coverage. (Exhibit A, pp. 4 – 6).

### **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.

Petitioner requested a hearing to dispute denial of her MA coverage. The Department denied Petitioner MA coverage due to excess income.

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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

In this case, Petitioner is 36 years old and did not report being blind, disabled, the caretaker of a minor child, or pregnant. (Exhibit A, pp. 7 – 13). Therefore, Petitioner is potentially eligible for MA under full-coverage HMP or limited coverage PFFP. Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105, p. 2.

HMP and PFFP are both Modified Adjusted Gross Income (MAGI)-related MA policies. An individual is eligible for PFFP if their MAGI-income does not exceed 195% of the Federal Poverty Level (FPL) applicable to the individual's group size. An individual is eligible for HMP if their 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. Here, Petitioner filed her own taxes and claimed no dependents. (Exhibit A, p. 8). Therefore, for PFFP purposes, Petitioner has a household size of one. BEM 211 (October 2023), pp. 1 – 2.

Beginning in January 2024, the annual FPL for a household size of one was \$15,060. 89 FR 2961 (January 2024). The PFFP income limit, 195% of the FPL, was \$29,367 annually, or \$2,447.25 per month. Additionally, for MAGI-related plans, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500 (April 2022), p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500, p. 5. 5% of the FPL of \$15,060 is \$753. Therefore, the total income limit for PFFP, with the disregard, was \$30,120, or \$2,510 per month.

In this case, the Department explained that Petitioner was denied MA coverage based on Petitioner's income information obtained from the Work Number and that it used Petitioner's earnings of February 16, 2024, in the gross amount of \$ [REDACTED] and March 1, 2024, in the gross amount of \$ [REDACTED] (Exhibit A, pp. 15 – 18). A review of the Work Number confirms the amounts used the Department and those amounts equal \$ [REDACTED] in monthly income. (Exhibit A, p. 16). Therefore, because Petitioner's monthly income was in excess of the \$2,510 monthly income limit for PFFP, the Department properly determined Petitioner was ineligible for MA coverage under PFFP and because she has excess income for PFFP, she also has excess income for HMP, which has a lower income limit than HMP.

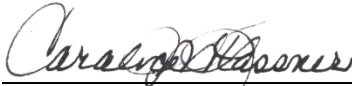
At the time of the hearing, Petitioner testified that her hours at work have been reduced since she applied for MA. Petitioner may reapply for MA if her income has changed.

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 denied Petitioner for MA coverage due to excess income.

### **DECISION AND ORDER**

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

CML/nr



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**Caralyce M. Lassner**  
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**  
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**Interested Parties**  
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[REDACTED], MI [REDACTED]