



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: July 18, 2024
MOAHR Docket No.: 24-004841
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 June 18, 2024, from Lansing, Michigan. [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Avery Smith, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's hearing summary packet was admitted as Exhibit A, pp. 1-47.

ISSUE

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

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 had full coverage Medicaid under the Transitional Medical Assistance (MA TMA) prior to the January 2024 redetermination. (Exhibit A, p. 1)
2. On [REDACTED] 2023, Petitioner submitted a redetermination for the MA case. Petitioner provided verification of income from employment with Huron Valley Schools and EDU Staffing and explained that she does not work either of these jobs during the summer. Petitioner reported assets including bank accounts totaling \$4,000.00. (Exhibit A, pp. 5-18)
3. A report from The Work Number verified Petitioner's income from employment with [REDACTED] (Exhibit A, pp. 22-40)

4. The Department determined that effective May 1, 2024, Petitioner and her children were no longer eligible for full coverage MA, or MA with a deductible, due to income and assets in excess of program limits. (Exhibit A, p. 1)
5. On April 12, 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating that Petitioner was eligible for limited coverage under the Plan First category effective May 1, 2024, and Petitioner's children were eligible for full coverage MA from February 1, 2024 through April 30, 2024. Petitioner's children were denied MA as of May 1, 2024. (Exhibit A, pp. 41-47)
6. On April 22, 2024, Petitioner submitted a hearing request contesting the Department's determination. (Exhibit A, pp. 3-4)

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.

The Medicaid program comprise several sub-programs or categories. BEM 105, January 1, 2024, p. 1.

Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105, January 1, 2024, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories.

For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

The Department counts the gross wage amount as earned income. BEM 501, January 1, 2024, p. 7.

Transitional Medical Assistance (TMA) is an automatic coverage group. TMA eligibility is only considered after LIF MA. Individuals may receive TMA for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker relative. (BEM 111, April 1, 2018, p. 1.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

Group 2 Under 21 (MA-G2U) is a non-MAGI MA category. BEM 105, January 1, 2024, p. 2. Medicaid is available to a person who is under age 21 and meets the eligibility factors in this item. All eligibility factors must be met in the calendar month being tested. BEM 132, April 1, 2018, pp. 1-2.

Group 2 Caretaker Relative (MA-G2C) is a non-MAGI MA category. BEM 105 January 1, 2024, p. 1. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. Apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. If the net income exceeds Group 2 needs, Medicaid eligibility is still possible. See BEM 545. BEM 135, October 1, 2015, p. 2.

For the MA-G2U and MA-G2C categories, a fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. Since how a client's income must be considered may differ among family members, special rules are used to prorate a person's income among the person's dependents, and themselves. BEM 536 July 1, 2019, p. 1. The BEM 536 policy outlines the 16 step process to determine a fiscal group member's income. BEM 536, July 1, 2019, pp. 1-7.

When determining Group 2 needs, the department utilizes a protected income level (PIL), which is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA PILs based on shelter area and fiscal group size. RFT 200 lists the counties in each shelter area. The Department can count the cost of any health insurance premiums as a need item. BEM 544, January 1, 2020, p. 1. Oakland county is part of shelter area VI. RFT 200, April 1, 2017, p. 3. In shelter area VI, for a group size of 4 the PIL is \$563.00. RFT 240, December 1, 2013, p. 1.

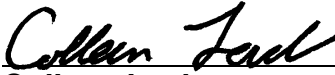
Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12

Asset eligibility is also required in many MA categories. Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. BEM 400, April 1, 2024, pp. 6-7. For the G2U and G2C MA categories, the asset limit is \$3,000.00. BEM 400. p. 7.

In this case, the Department redetermined MA eligibility for Petitioner and her children. The Department determined that effective May 1, 2024, Petitioner and her children were no longer eligible for full coverage MA, or MA with a deductible, due to income and assets in excess of program limits. (Exhibit A, p. 1). For example, Petitioner and her children were potentially eligible for MA with a deductible under the MA-G2U and MA-G2C categories. However, the reported bank accounts exceeded the \$3,000.00 asset limit. (Exhibit A, pp. 1 and 6). Further, Petitioner acknowledged that at the time of the Redetermination, the work for the schools had not yet ended for the summer. (Petitioner Testimony). As discussed, Petitioner may wish to reapply and provide updated information regarding the changes with income.

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 family's eligibility for MA.

CL/pt



Colleen Lack
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
Yaita Turner
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033
MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

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Via-First Class Mail:

Petitioner
[REDACTED]
MI