



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 3, 2024
MOAHR Docket No.: 24-005537
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 June 27, 2024. Petitioner participated and was unrepresented.¹ 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 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 February 2024, Petitioner was an ongoing recipient of unlimited-coverage Medicaid who suffered from multiple sclerosis.
2. As of February 2024, Petitioner was 19-65 years of age, unmarried, not pregnant, not a caretaker to a minor child, and not a Medicare recipient.
3. As of February 2024, Petitioner received gross monthly income of at least \$ [REDACTED]

¹ The hearing was originally in the name of Petitioner's sister because Petitioner received MA benefits on her sister's case.

4. On April 30, 2024, Petitioner requested a hearing to dispute the determination of MA eligibility.
5. On May 16, 2024, MDHHS determined Petitioner was eligible for the limited-coverage MA category of Plan First beginning May 2024.

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 eligibility.² Exhibit A, pp. 3-4. A Health Care Coverage Determination Notice dated May 16, 2024, stated that Petitioner was eligible for the limited coverage MA category of Plan First beginning May 2024.³ Exhibit A, pp. 7-9.

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 (HMP) 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.*

It was not disputed that Petitioner was between the ages of 21-65 years, not pregnant, not a caretaker to minor children, and not a Medicare recipient. Given the circumstances, Petitioner is potentially eligible for full-coverage Medicaid only through the MAGI-related category of HMP. MDHHS testimony indicated that Petitioner was ineligible for MA benefits under HMP due to excess income.

² Petitioner requested a hearing before the notice of determination was sent. Presumably, MDHHS informed Petitioner of a termination or other negative action before Petitioner requested a hearing.

³ 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).

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.⁴ 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.⁵

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.⁶ 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.⁷

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 Petitioner was a tax filer with no dependents. Thus, Petitioner's group size under HMP is one person.

MDHHS calculated Petitioner's gross monthly income to be \$ [REDACTED]. Petitioner's testimony acknowledged the amount was a fair estimate of her gross monthly wages. For purposes of HMP, Petitioner's gross monthly income is accepted as \$ [REDACTED].

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 is \$15,060 for a 1-person group.⁹ Multiplying the FPL by 1.38 results in an income limit of \$20,782.80 (\$ [REDACTED] per month). Petitioner's group's monthly income of \$ [REDACTED] exceeds the HMP income limit. Presumably, the group's income is within the income guidelines of the limited coverage MA category of Plan First.¹⁰

⁴ 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.

⁵ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

⁶ <https://www.investopedia.com/terms/a/agi.asp>

⁷ *Id.*

⁸ Petitioner's monthly income is likely much higher. Biweekly pay period wage documents dated February 28 and March 22, 2024, listed gross income of \$ [REDACTED] and \$ [REDACTED] respectively. Exhibit A, pp. 10-13. Petitioner's testimony acknowledged she sometimes receives commissions which increase her gross pay.

⁹ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

¹⁰ Eligibility for Plan First requires an income within 195% of the federal poverty level BEM 124 (July 2023) p. 2.

Petitioner testified she suffers from multiple sclerosis and that her medical treatment costs approximately \$8,000 per month.¹¹ Though Petitioner's testimony was credible and sympathetic, the circumstances do not alter the income analysis. Given the evidence, MDHHS properly determined Petitioner to be eligible only for the limited-coverage MA category of Plan First.

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 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

¹¹ Petitioner additionally presented written documents explaining her health issues. Exhibit 1, pp. 1-2.

Via-Electronic Mail :

DHHS
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**MDHHS-Wayne-17-
hearings@michigan.gov**

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

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