



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

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██████, MI ██████

Date Mailed: April 11, 2023
MOAHR Docket No.: 23-001085
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 on April 3, 2023, via teleconference. Petitioner appeared with the assistance of Madhavi Narra, acting as a Telugu interpreter. Tom Jones, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly deny Petitioner's application for Medicaid (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. On December 22, 2022, Petitioner applied for MA (Exhibit A, p. 1).
2. On February 6, 2023, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Petitioner was not eligible for MA because the value of Petitioner's countable assets exceeded the limit for the program (Exhibit A, p. 11). Additionally, MDHHS determined Petitioner's annual income was \$██████████ (Exhibit A, p. 11).
3. On February 27, 2023, Petitioner filed a Request for Hearing to dispute the denial of the MA application (Exhibit A, p 3).

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 Medicaid (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. Medicaid is also known as Medical Assistance. BEM 105 (January 2021), p. 1.

In this case, MDHHS denied Petitioner's application for MA benefits based on a determination that Petitioner's countable assets exceeded the limit for the program.

The MA program includes several sub-programs or categories. BEM 105, p. 1. 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.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MIChild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* To evaluate Petitioner's eligibility for MA, MDHHS must determine Petitioner's MA fiscal group size, net income and assets. Asset eligibility is required for SSI-related MA categories. BEM 400 (January 2021), p. 6. Asset eligibility exists when the group's countable assets are less than or equal to the asset limit at least one day during the month being tested. *Id.*, p. 7.

MDHHS requests verification of a client's written or verbal statements when required by policy or information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. BAM 130 (January 2022), p. 1. The questionable information might be from a client or third party. *Id.* Verification is usually required at application, redetermination or when the client reports a change that may affect eligibility. *Id.* To request verification, MDHHS must send the client a Verification Checklist (VCL), which tells the client what verification is required, how to obtain it and the due date. *Id.*, p. 3. For MA, MDHHS allows the client ten calendar days to provide the verification requested. *Id.*, p. 8.

MDHHS testified that it evaluated Petitioner's eligibility for SSI-related MA category, Group 2 with a spenddown, and found that Petitioner was over the asset limit of \$2,000 for the program. However, MDHHS did not introduce Petitioner's MA application as evidence or explain why Petitioner was only potentially eligible for SSI-related MA. The category of MA is significant because the income and asset limits change depending on

the program, and some MA categories, such as HMP, have no asset limit. See *generally*, BEM 400 (October 2022). Additionally, Petitioner objected to MDHHS calculation of his income, explaining that his income had recently stopped due to an injury. No evidence was presented that MDHHS attempted to verify Petitioner's income or that it gave Petitioner a reasonable opportunity to resolve inconsistencies between his statements and information from another source.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's MA application.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister Petitioner's December 22, 2022 MA application;
2. Redetermine Petitioner's eligibility for MA benefits from December 1, 2022 ongoing, requesting additional verification, if necessary;
3. Provide Petitioner with MA coverage for each month that he is eligible to receive it from the date of application ongoing; and
4. Notify Petitioner in writing of its decision.

LJ/tm



Linda Jordan
Administrative Law Judge

