[redacted]

Date Mailed: December 8, 2023
MOAHR Docket No.: 23-006226
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 November 8, 2023, from Lansing, Michigan. [redacted] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Ryan Clemons, Family Independence Manager (FIM).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-31.

## ISSUE

Did the Department properly determine Petitioner'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 was receiving Health Michigan Plan (MA-HMP) coverage. (FIM Testimony)

2. The COVID-19 Pandemic policies that kept all MA programs active without reduction of coverage since March 2020 were lifted this year. (Exhibit A, p. 1)

3. Petitioner's MA case was Redetermined in the month of August 2023. (Exhibit A, p. 1)

4. On August [redacted] 2023, the Department obtained a report from The Work Number to verify Petitioner's income from employment with Meijer. (Exhibit A, pp. 14-20)

5. A consolidated Income Inquiry search documented child support income. (Exhibit A, pp. 23-24)

6. The Department projected monthly household income consisting of Petitioner's employment ($[redacted] and child support ($[redacted] (Exhibit A, p. 25)

7. The monthly income limit for MA-HMP for a group size of two was $[redacted] effective April 1, 2023. (Exhibit A, p. 31)

8. On August [redacted] 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating she was approved for limited coverage MA, specifically Plan First coverage. (Exhibit A, pp. 26-29)

9. On or about September [redacted] 2023, paycheck stubs were submitted for Petitioner. (Exhibit A, pp. 9-13)

10. On September 27, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-7).

## 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. 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, 2021, 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, June 1, 2020, 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, 2021, 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 2023 FPL for the 48 contiguous states and the District of Columbia for a group size of one is an annual income of $14,580.00. Accordingly, 133% of FPL is $26,227.60 for a group size of two. Divided by 12, this would equate to $2,185.63 per month. (Exhibit A, pp. 30-31)

The Department considers the gross wages when determining eligibility for MA. BEM 501, July 1, 2022, p. 7.

For MAGI MA determinations, child support payments are not countable for the payee nor are they deducible for the payer in a MAGI Medicaid determination. BEM 503, January 1, 2023, p. 7.

On August [redacted] 2023, the Department obtained a report from The Work Number to verify Petitioner's income from employment with [redacted] (Exhibit A, pp. 14-20). Similarly, a consolidated Income Inquiry search documented child support income. (Exhibit A, pp. 23-24). For the MAGI determination, the Department projected monthly household income consisting of Petitioner's employment ($[redacted] and child support ($[redacted] (Exhibit A, p. 25).

Petitioner testified that she is a single mother, and her take home pay is significantly less than her gross wages. Petitioner pays for everything and cannot afford health insurance. It is hard when the only income in the home is hers. Petitioner has conditions she is being treated for and it is important that she is able to obtain her medications and see her doctors. (Petitioner Testimony).

Pursuant to the BEM 503 policy, it appears that the Department erred by including the child support payments for the MAGI MA determination. However, the BEM 501 policy

does support the use of Petitioner's gross wages to determine income eligibility for MA. Petitioner's projected income of $[redacted] itself exceeded the applicable monthly income limit of $[redacted] for her group size. Accordingly, the denial of MA must be upheld.

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 eligibility for MA based on her income at the time of the determination.

## DECISION AND ORDER

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

CL/dm

**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**
Trista Waishkey
Washtenaw County DHHS
**MDHHS-Washtenaw-Hearings@michigan.gov**

**SchaferM**

**EQADhearings**

**BSC4HearingDecisions**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**
[redacted]