



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
ACTING DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: January 11, 2024
MOAHR Docket No.: 23-007298
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 3, 2024, from Lansing, Michigan. Petitioner represented himself. The Department was represented by Desiree Mitchell and Deoma Harris.

ISSUE

Did the Department of Health and Human Services (Department) properly close Petitioner's Medical Assistance (MA) benefits?

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 an ongoing recipient of Medical Assistance (MA) on September [REDACTED] 2023, when the Department received his Renew Benefits form. Exhibit A, p 17.
2. Petitioner reported receiving earned income from employment of approximately \$[REDACTED] per week.
3. Petitioner reported receiving agricultural self-employment income.
4. On September 30, 2023, the Department notified Petitioner that he was not eligible for Medical Assistance (MA) as of November 1, 2023. Exhibit A, p 13.
5. On October 26, 2023, the Department received Petitioner's request for a hearing protesting the closure of his Medical Assistance (MA). 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 through 42 USC 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 through 42 CFR 420.25. The Department administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.103 through MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

All earned and unearned income available is countable unless excluded by policy. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned income. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (April 1, 2022), pp 1-17.

Individuals who run their own businesses are self-employed. This includes but is not limited to selling goods, farming, providing direct services, and operating a facility that provides services such as adult foster care home or room and board. A person who provides child care in his/her home is considered to be self-employed. Rental income is sometimes counted as unearned income and sometimes as self-employment. The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. Allowable expenses are the higher of 25 percent of the total proceeds, or actual expenses if the client chooses to claim and verify the expenses. Department of Human Services Bridges Eligibility Manual (BEM) 502 (October 1, 2019), pp 1-3.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

Petitioner was an ongoing recipient of MA benefits when the Department initiated a routine review of his eligibility for ongoing benefits. Petitioner reported that he lives alone and received income from employment as well as self-employment income.

Petitioner reported receiving earned income from employment in the gross amount of \$██████ per week, which is 357% of the federal poverty level for a household of one and exceeds the 133% limit to receive MA benefits under the Healthy Michigan Plan (HMP).

Petitioner later reported that he has minor children that do not live with him and that he claims one of the children as a tax dependent. Petitioner concedes that he has not provided the Department with a copy of his income tax returns for 2023, and without his tax returns, the Department cannot give him credit for his actual self-employment expenses. Further, without a tax return, Petitioner has failed to verify a tax dependent. As a household of two, the income limit to receive benefits under the HMP category is \$26,227 per year for a household of two. Further, income of a \$[REDACTED] per week is 264% of the federal poverty level for a household of two.

The burden of establishing eligibility for MA benefits is on the Petitioner, and the hearing record supports a finding that Petitioner is not eligible for MA benefits based on his income. Eligibility for HMP benefits is based on Petitioner's modified adjusted gross income and Petitioner's is potentially eligible for benefits based on his self-employment expenses for 2023, which were not verified at the time the Department closed his MA benefits. In the absence of verified business expenses, the Department was acting in accordance with policy when applying Petitioner's gross earned income towards his eligibility for MA benefits.,

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 closed Petitioner's Medical Assistance (MA) benefits based on his income.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/dm



Kevin Scully
Administrative Law Judge
Michigan Office of Administrative Hearings
and Rules (MOAHR)

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]
[REDACTED]
[REDACTED]