



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 19, 2024
MOAHR Docket No.: 23-007843
Agency No.: [REDACTED]
Petitioner: [REDACTED] [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; Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on December 20, 2023, from Lansing, Michigan. [REDACTED] [REDACTED] Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Brad Reno, Eligibility Specialist and Hearing Facilitator (ES/HF).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-34.

ISSUE

Did the Department properly determine eligibility for Medical Assistance (MA) benefits for children in Petitioner's household?

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 and her spouse were receiving MA under the Low-Income Family-Parent Caretaker Relative category (LIF-PCR); four of Petitioner's children (ages 5-14 years) were receiving MA under the Other Health Kids (OHK) category; and the fifth child (age 2 years) was receiving MA under the Newborn (NBN) category. (Exhibit A, p. 3)
2. On July [REDACTED] 2023, Petitioner submitted a Renew Benefits and reported multiple assets (annuity account, savings account, checking account, 2010 vehicle, 2006 vehicle,

2015 vehicle, 2018 vehicle, house(s) property, and home/building property) as well as income from employment for both Petitioner and her spouse as well as child support for three of the children. It was also reported that two of the children (ages 14 and 16 years) would be claimed as a dependent on someone else's tax return. (Exhibit A, pp. 7-12)

3. The Department reviewed verifications of household income. Petitioner's income was \$[REDACTED] per month and Petitioner's spouse's income was \$[REDACTED] (Exhibit A, pp. 13-24)
4. The Department documented the value of the liquid assets as \$[REDACTED] for the savings account, \$[REDACTED] for the checking account, and \$[REDACTED] for the annuity account. (Exhibit A, p. 25)
5. The Department determined that the household exceeded the income limit for all Group 1 MA categories and exceeded the asset limit for all Group 2 MA categories. (Exhibit A, p. 3)
6. The Department determined that Petitioner was eligible for MA under the Transitional Medicaid (TMA) category because she was previously receiving MA under the LIF-PCR category and she became ineligible solely due to excess earned income. (Exhibit A, p. 3)
7. The child receiving MA under the NBN category was not affected by this redetermination because his coverage remains subject to executive orders put in place during the COVID-19 public health emergency until December 2023. (Exhibit A, pp. 3-4)
8. On October [REDACTED] 2023, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was approved for MA-TMA effective November 1, 2023 and MA was denied for Petitioner's spouse and the four children that were receiving MA under the OHK category. (Exhibit A, pp. 26-34)
9. On October 26, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, p. 6)

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.

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, October 1, 2023, p. 1.

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, October 1, 2023, p. 1.

Adults with a dependent child and income under 54 percent of the Federal Poverty Level will be considered LIF eligible. Children with Income under 54 percent of the federal poverty level will be considered LIF eligible. BEM 110, April 1, 2018, p. 1.

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. For Group 2 MA categories, the asset limit is \$3,000.00. BEM 400, July 1, 2023, pp. 6-7.

Transitional Medical Assistance (TMA) is an automatic coverage group. Transitional Medical Assistance (TMA) eligibility is only considered after Low Income Family (LIF) MA. Individuals may receive TMA for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker relative. TMA starts the month in which LIF ineligibility began regardless of when the LIF eligibility actually ended. BEM 111, April 1, 2018, p. 1.

LIF must be transferred to TMA when all of the requirements below are met. 1. At least one LIF qualified group member was eligible for and received LIF for three of the six calendar months immediately preceding the month of LIF ineligibility. 2. LIF ineligibility resulted from excess earned income only. 3. Earnings of the caretaker relative, caretaker relative's spouse or a dependent child's parent in the LIF ineligibility determination are greater than zero. BEM 111, April 1, 2018, p. 1.

Other Healthy Kids (OHK) and the Healthy Kids Expansion (HKE) are two programs in the MAGI U-19 Medicaid category. OHK and HKE are available to children under the age of 19 whose household income does not exceed 160 percent of the Federal Poverty Level

(FPL). Both programs are defined by age, household income, and whether the child has other comprehensive insurance. The MAGI U-19 income limits for Other Healthy Kids and the Healthy Kids Expansion are:

Program	Age	Income (% of FPL)	Has other comprehensive insurance?
MAGI U-19 OHK	>=1 and <=5	>54% and <144%	N/A
	>=1 and <=5	>=144% and <=160%	Yes
	>=6 and <=18	>54% and <110%	N/A
	>=6 and <=18	>=110% and <=160%	Yes
MAGI U-19 HKE	>=1 and <=5	>=144% and <=160%	No
	>=6 and <=18	>=110% and <=160%	No

MiChild is a MAGI-related Medicaid Expansion program for children who are under 19 years of age and who are not enrolled in comprehensive health insurance. Income eligibility for Age one to age 19 is 161 percent to 212 percent of the FPL. BEM 130, July 1, 2021, p. 1.

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211, October 1, 2023, p. 1.

In this case, Petitioner testified that the household composition was not correct. Another child moved back into the home in September 2023. However, Petitioner had not reported that child moved back into the home until December 2023. Petitioner also indicated she only needs MA coverage for three of the children (ages 12-17 years) because they cannot be on her spouse's insurance from work because they are his step-children. It was also discussed that for some children, they alternate which year the children are listed on their taxes. (Petitioner Testimony)

Overall, the evidence indicates that MA eligibility was properly determined for the children. Petitioner indicated she needs MA coverage for based on the information reported on the July 2023 Renew Benefits. The group size for the MAGI related MA categories would not include the children that would be claimed as a dependent on someone else's tax return. The children were not eligible for the TMA MA category because they had been receiving MA under the OHK category. TMA only considered after receiving MA under the LIF category. (ES/HF Testimony).

As discussed, the Department will be processing Petitioner's newer MA application and making a new determination based on the updated information reported at the time of that application.

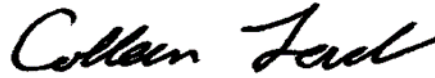
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in

accordance with Department policy when it determined MA eligibility for children in Petitioner's household.

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
Janice Collins
Genesee County DHHS Union St
District Office
**MDHHS-Genesee-UnionSt-
Hearings@michigan.gov**

SchaferM

EQADHearings

BSC2HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]