



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED], MI [REDACTED]

Date Mailed: February 27, 2025
MOAHR Docket No.: 24-014101
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

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 January 19, 2025, via teleconference. Petitioner appeared and represented himself. Leanne Scupholm, Hearings Facilitator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-12.

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) coverage?

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 Freedom to Work (FTW) MA.
2. On December 4, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that he was not eligible for MA, effective January 1, 2025 ongoing (Exhibit A, p. 6).
3. On December 16, 2024, Petitioner requested a hearing regarding MA coverage (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).

Medicaid (MA) 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 MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, MDHHS terminated Petitioner's MA on the basis that he did not pay his premium for Freedom to Work (FTW) MA.

FTW MA is an SSI-related Group 1 MA category available to clients with disabilities, ages 16 through 64, who have earned income. BEM 174 (October 2024), p. 1. Ongoing income eligibility exists when the client's unearned income does not exceed 250% of the federal poverty level (FPL). *Id.*, p. 3. There are no premiums for individuals with MAGI (Modified Adjusted Gross Income) income less than 138% of the FPL. *Id.*, p. 3. A premium of 2.5% of the client's income is charged for individuals with MAGI income between 138% of the FPL and \$75,000.00 annually. *Id.* A premium of 100% of the average FTW participant cost will be assessed for an enrolled individual with MAGI income over \$75,000.00. *Id.* MDHHS notifies the premium coordinator when premiums for a FTW participant start/change/end. *Id.* The premium coordinator has final determination over actual premium begin or amount change dates, as well as premium exclusions. *Id.* Nonpayment of premium is automatically sent to Bridges, MDHHS' internal case management system, and a mass update will close the individual's coverage if the premium has not been paid. *Id.*

At the hearing, MDHHS testified that Petitioner did not make his premium payment of \$52.88 for the time period of August 1, 2024 to December 31, 2024 (Exhibit A, p. 12). Petitioner disputed MDHHS' contention and testified that he received messages from MDHHS stating that he overpaid his premium and that he had a credit. Petitioner reported that MDHHS subsequently sent him bills of varying amounts, which he paid and the most recent correspondence indicated that he had a zero balance. Petitioner testified that he pays by mailing in a check.

Petitioner's testimony on the matter was credible. MDHHS had no additional information regarding billing and payment correspondence, and none of the correspondence was admitted into evidence. Given this gap in information, MDHHS has not shown that it properly notified Petitioner of his premium amount or that it properly closed Petitioner's case due to nonpayment.

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

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. Reinstate Petitioner's MA case and redetermine his eligibility for MA, effective January 1, 2025 ongoing;
2. Provide Petitioner with the most beneficial category of MA coverage that he is eligible to receive, effective January 1, 2025 ongoing; and
3. Notify Petitioner of its decision in writing.



LJ/nr

Linda Jordan
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 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

Kristina Etheridge
Calhoun County DHHS
190 East Michigan
Battle Creek, MI 49016

MDHHS-Calhoun-Hearings@michigan.gov

Interested Parties

BSC3
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
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