



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

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Date Mailed: April 5, 2024
MOAHR Docket No.: 24-001473
Agency No.: ██████████
Petitioner: █████ █████

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 March 28, 2024, from Lansing, Michigan. Petitioner represented himself. The Department was represented by Sara Estes.

ISSUE

Did the Department of Health and Human Services (Department) properly closed 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. On December █████ 2023, the Department received Petitioner's Federally Facilitated Marketplace Application Transfer. Exhibit A, p 8.
2. On December █████ 2023, the Department received Petitioner's application for Medical Assistance (MA). Exhibit A, p 19.
3. Petitioner will be over 64 years of age in █████ of 2024.
4. On January █████ 2024, the Department notified Petitioner that he and his wife were not eligible for Medical Assistance (MA) benefits under the Healthy Michigan Program (HMP). Exhibit A, p 37.
5. On February █████ 2024, the Department received a copy of Petitioner federal income tax return showing that he and his wife filed their taxes jointly and that they received an adjusted gross income in the annual amount of \$██████████ Exhibit A, p 40.

6. On January 31, 2024, the Department received Petitioner's request for a hearing protesting the closure of his Medical Assistance (MA) benefits. Exhibit A, pp 5-6.
7. On February [REDACTED] 2024, the Department notified Petitioner that he and his wife are eligible for Medical Assistance (MA) under the Healthy Michigan Plan (HMP). Exhibit A, p 45.
8. On April 1, 2024, the Department notified Petitioner that he will not be eligible for Medical Assistance (MA) under the Healthy Michigan Program (HMP) effective April 1, 2024. Exhibit A, p 48.

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.*

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.

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. Department of Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016), pp 3-4.

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable

family size. It is not a flat 5% disregard from the income. The 5% disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.¹

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

Petitioner filed an application for MA benefits. The Department initially denied this application but then revised its eligibility determination. Based on Petitioner's federal income tax return, Petitioner and his wife filed their taxes jointly and they received an adjusted gross income in the annual amount of \$[REDACTED]. This is 118% of the federal poverty level for a household of two. Therefore, Petitioner and his wife meet the income criteria for the Healthy Michigan Program (HMP).

The Healthy Michigan Plan (HMP) provides health care coverage for individuals 19-64 years of age that do not qualify for or are not enrolled in Medicare, and do not qualify for or are not enrolled in other Medicaid programs. Department of Health and Human Services Bridges Eligibility Manual (BEM) 167 (January 1, 2024), p 1.

Petitioner will be 65 years of age in April of 2024, which is considered "aged" under Department policy. Petitioner is eligible for Medicare and Medicare under a category for aged individuals effective April 1, 2024. Therefore, effective April 1, 2024, Petitioner is no longer eligible for HMP benefits. Petitioner is potentially eligible for Medicare after April 1, 2024, and an aged person, but would need to meet the asset limit criteria, which is \$3,000 for a married person.

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 the eligibility for Medical Assistance (MA) of Petitioner and his wife.

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/dm



Kevin Scully
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**

SchaeferM

EQADHearings

BSC2HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]