



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR



Date Mailed: August 19, 2024
MOAHR Docket No.: 24-006138
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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 July 18, 2024. Petitioner was present at the hearing and represented himself. Also present at the hearing was Abdul Chowdhury, a Bengali interpreter. The Department of Health and Human Services (Department) was represented by Dania Ajami, Lead Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner and his spouse's (Spouse) Medical Assistance (MA) eligibility?

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 is married, files taxes jointly with Spouse, and claims his daughters, ages [REDACTED] and [REDACTED] as tax dependents.
2. Petitioner is [REDACTED] years old; and Spouse is [REDACTED] years old.
3. Petitioner is employed at [REDACTED] (Employer) working full-time at [REDACTED] per hour and is paid weekly. (Exhibit A, p. 19). Spouse is unemployed.
4. On April 29, 2024, Petitioner completed an assistance application for MA coverage for himself and Spouse. (Exhibit A, pp. 15-21).

5. On May 10, 2024, the Department received paystubs from Petitioner which indicated the following:

| Check Date | Gross Check Amount |
|----------------|---|
| April 12, 2024 |  |
| April 19, 2024 | |
| April 26, 2024 | |
| May 10, 2024 | |

(Exhibit A, pp. 22-25).

6. On May 14, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that he and Spouse were approved for MA coverage with a monthly deductible of \$2,155 for April 2024, \$2,140 for May 2024, and \$2,503 effective June 1, 2024 ongoing. (Exhibit A, pp. 26-31). The HCCDN also stated that Petitioner and Spouse were approved for limited MA coverage under the Plan First Family Planning (PFFP) program effective June 1, 2024 ongoing. (Exhibit A, p. 26).
7. On May 20, 2024, the Department received a request for hearing from Petitioner disputing actions taken by the Department with respect to his and Spouse's MA coverage. (Exhibit A, pp. 3-13).

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.

Upon reviewing Petitioner and Spouse's eligibility for MA coverage, the Department concluded that Petitioner was eligible for MA coverage under the PFFP program and the Group 2 Caretaker (G2C) program with a monthly deductible of \$2,503. Petitioner disputes this coverage.

MA is available (i) under SSI-related categories who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Family Planning (PFFP) coverage. 42 CFR 435.911; 42 C FR 435.100 to 435.172; BEM 105 (January 2024), page 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105 (January 2021), p. 2; 42 CFR 435.404.

Because Petitioner and Spouse are not age 65 or older, blind or disabled, under age 19, or pregnant or recently pregnant, they were potentially eligible for MA coverage under HMP. HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

In this case, the Department concluded that Petitioner and Spouse were not eligible for HMP due to having household income that exceeded the applicable income limit for their group size of two. An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status. Here, Petitioner is married, filed taxes jointly with Spouse, and claimed two tax dependents. Therefore, for HMP purposes, Petitioner has a household size of four. BEM 211 (October 2023), pp. 1-2. Based on testimony from the Department, it improperly determined that the group size for this household was two.

The annual FPL for a household size of four in 2024 is \$31,200. FR 3424 (January 2024). 133% of the FPL, the HMP income limit, for a household size of four is \$42,120 annually, or \$3,510 monthly. Thus, the maximum applicable income limit for HMP eligibility was \$42,120 annually, or \$3,510 monthly. Here, based on provided paystubs showing weekly pay of [REDACTED] for April 12, 2024, and [REDACTED] for April 19, 2024, April 26, 2024, and May 10, 2024, the Department failed to show that Petitioner's group's income exceeded the HMP monthly income limit of \$3,510 for his four-person group.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500 (April 2022), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS tax forms 1040, 1040-SR, and 1040-NR. Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross

income before taxes reduced by any money the employer takes out for health coverage, child care, or retirement savings. See <https://www.healthcare.gov/income-and-household-information/how-to-report/> MDHHS considers *current* monthly income and family size (except for individuals who report seasonal work and complete a projected annual income field on the MA application to show work for only a portion of the year with reasonably predictable changes in income within the upcoming 12 months). Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1, 2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018 available at https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf.

In assessing current monthly income, the Department had four paystubs for Petitioner showing weekly pay of [REDACTED] on April 12, 2024, and [REDACTED] on April 19, 2024, April 26, 2024, and May 10, 2024. (Exhibit A, pp. 22-25). A review of Petitioner's submitted paystubs revealed no deductions for childcare, medical insurance, or retirement savings. Thus, Petitioner is not eligible for any deductions to the gross income showing on the paystubs. Based on Petitioner's gross income and a group size of four, Petitioner's countable income did not exceed the HMP income limit of \$3,510 monthly. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it concluded that Petitioner and Spouse were not eligible for MA coverage under HMP.

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 did not act in accordance with Department policy when it determined Petitioner's and Spouse's MA eligibility.

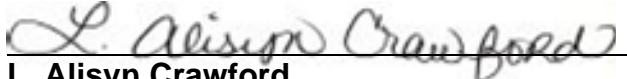
DECISION AND ORDER

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

THE DEPARTMENT 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. Reprocess the MA application submitted by Petitioner on April 29, 2024;
2. If eligible, provide Petitioner and Spouse with the most beneficial MA coverage they are eligible to receive for April 1, 2024 ongoing; and
3. Notify Petitioner and Spouse in writing of its decision.

LC/ml


L. Alisyn Crawford
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

Caryn Jackson
Wayne-Hamtramck-DHHS
12140 Joseph Campau
Hamtramck, MI 48212
MDHHS-Wayne-55-Hearings@michigan.gov

Interested Parties

BSC4
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

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