

6. On June 7, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that she and her family were approved for MA coverage with a monthly deductible effective May 1, 2024 of \$3,088 for Petitioner and Husband and \$3,976 for Minor Children. (Exhibit A, pp. 23-28).
7. On June 12, 2024, the Department received a request for hearing from Petitioner regarding the Department's determination regarding her MA coverage. (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 1396-1396w-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's eligibility criteria at application, the Department concluded that Petitioner and Husband were eligible for MA coverage under the Group 2 Caretaker (G2C) program and Minor Children were eligible for MA coverage under the Group 2 Under 19 (G2U) program, with a monthly deductible of \$3,088 and \$3,976, respectively. Petitioner disputes this coverage.

MA is available (i) under SSI-related categories to individuals 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 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 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.

HMP and G2C Eligibility

In this case, the Department concluded that Petitioner and Husband were not eligible for HMP due to having income that exceeded the applicable income limit for their group size. 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.

In this case, Petitioner filed taxes jointly with Husband and claimed two tax dependents. Therefore, for HMP purposes, Petitioner has a household size of four. BEM 211 (October 2023), pp. 1-2. 133% of the annual FPL in 2024 (the most current applicable FPL) for a household with four members is \$41,496. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed [REDACTED] annually, or [REDACTED] monthly. In the May 16, 2024 assistance application, Petitioner reported biweekly employment in the amount of [REDACTED] resulting in a monthly income of [REDACTED] as such, based on Petitioner's reported income, Petitioner's household has excess income for HMP eligibility. The Department properly determined that Petitioner and Husband were not eligible for HMP based on Petitioner's gross income.

Although Petitioner and Husband were not eligible for HMP coverage, parents are potentially eligible for MA under Group 2 Caretaker Relative (G2C). Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105 (January 2021), p. 1. For Group 2 categories, there is a monthly deductible equal to the amount the household's monthly net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL). PIL is based on the fiscal group size for Group 2 MA categories and the county of residence. BEM 135, p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1.

For purposes of Group 2 MA eligibility, adults who are married have an MA fiscal group size of two. BEM 211 (October 2023), p. 9. The monthly PIL for an individual with a two-person MA Group 2 fiscal group size living in [REDACTED] County is [REDACTED] RFT 200 (April 2017); RFT 240 (December 2013). Thus, if the household's net income, calculated in accordance with BEM 536 (July 2019), pp. 1-7, exceeds the monthly PIL of [REDACTED] there is eligibility for MA assistance under the deductible program, with the deductible equal to the amount that the monthly income exceeds [REDACTED]

While the Department provided a G2-FIP Related MA (Adult) – Net Income budget which identified how it arrived at the deductible amount, it is unclear what the Department based the budget on. The Department testified that it considered Petitioner's earnings from employment, which were verified using the Work Number. The Work Number was not presented for review for the undersigned and it is unclear what pay dates and pay amounts were specifically used to determine the monthly deductible for the G2C program for Petitioner and Husband. Petitioner reported monthly income of [REDACTED] in her assistance application. The Department testified that the income from the Work Number indicated gross income of [REDACTED] Neither amount was verified in the provided

documentation. Thus, the Department has not met its burden of proof in establishing that it properly determined Petitioner's and Husband's deductible amount.

U19/MiChild and G2U Eligibility

Regarding Minor Children, the Department concluded that they were not eligible for U19 or MiChild due to having income that exceeded the applicable income limit for their group size.

Children over age 1 and under age 19 who are not eligible for MA for foster care children are potentially eligible for MA under three programs: (1) the Under Age 19 (U19) program; (2) the MiChild program; and (3) the Group 2 Under 21 (G2U) program. BEM 104, p. 1, 3-4; BEM 130 (January 2024), p. 1; BEM 131 (January 2022), p. 1; BEM 132 (April 2018), p. 1. The U19 program is a Modified Adjusted Gross Income (MAGI)-related Group 1 MA category, meaning that it provides full-coverage MA without a deductible for children whose household's income, calculated in accordance with MAGI rules, meets the income eligibility limits. BEM 131, p. 1. Income eligibility for MiChild is also determined according to MAGI rules. BEM 130, p. 1. Children whose household income exceeds the income limit for U19 or MiChild eligibility are eligible for MA under the G2U category, with a deductible equal to the amount the child's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the county in which the child resides and child's fiscal group size. BEM 132, p. 2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. Under Federal law, the child is entitled to the most beneficial category, which is the one that results in eligibility, the least amount of excess income, or the lowest cost share. BEM 105, p. 2. In this case, the Department concluded that Petitioner's child was not ineligible for MA coverage under either the U19 or MiChild categories due to excess income.

Like HMP, in order to determine income eligibility for U19 and MiChild programs, the household's MAGI income must be considered. In this case, Minor Children live with their parents who claim them as tax dependents. Therefore, the children have a household size of four. See BEM 211 (October 2023), pp. 1-2. 212% of the annual 2024 FPL for MiChild, which has the highest income threshold, for a four-member household is \$66,144, or \$5,512 per month. Based on Petitioner's reported monthly income of [REDACTED], Minor Children's household does not have excess income for full coverage eligibility. Therefore, the Department did not satisfy its burden of showing that it acted in accordance with Department policy when it determined that Minor Children were not eligible under the full-coverage MA based on the household's MAGI income.

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 that Petitioner and Husband were not eligible for MA coverage under HMP but failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's and Husband's deductible amount under the G2C program and when it determined that Minor Children were ineligible for MiChild/U19.

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. Redetermine Petitioner's and Husband's G2C deductible effective May 1, 2024 ongoing;
2. Redetermine Minor Children's MA eligibility effective May 1, 2024 ongoing;
3. Provide Petitioner, Husband, and Minor Children with the best available MA coverage they are eligible for effective May 1, 2024; and
4. Provide Petitioner notice of its decision in writing.

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
Susan Noel
Wayne-Inkster-DHHS
26355 Michigan Ave
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Interested Parties

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Via First Class Mail:

Petitioner

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