



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
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 2, 2024
MOAHR Docket No.: 24-007298
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 24, 2024. Petitioner was present at the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner and her adult child's (MS) 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 and MS were ongoing MA recipients under the Healthy Michigan Plan (HMP) program.
2. Petitioner is [REDACTED] years old and employed with [REDACTED] (Employer). (Exhibit A, p. 7).
3. MS is a full-time college student and does not work.
4. On April 6, 2024, Petitioner submitted a renewal application for MA and FAP benefits to the Department. (Exhibit A, pp. 6-9). Petitioner indicated on the application that she is a tax-filer and claims MS as a tax dependent. (Exhibit A, p. 7).

5. On April 8, 2024, the Department received the following paystubs from Petitioner for her work at Employer:

Check Date	Check Amount
------------	--------------

March 20, 2024	
----------------	--

April 3, 2024	
---------------	--

(Exhibit A, pp. 10-11).

6. On May 6, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) informing Petitioner that she and MS were approved for Plan First Family Planning (PFFP), a limited coverage MA program, only. (Exhibit A, pp. 19-22). The HCCDN noted a health care household size of three and household total countable annual income amount of (Exhibit A, p. 19).
7. On June 24, 2024, Petitioner filed a request for hearing to dispute the Department's actions relating to her FAP and MA coverage for herself and MS. (Exhibit A, pp. 3-5).

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).

Petitioner requested this hearing to dispute the Department's actions taken with respect to FAP and MA program benefits. (Exhibit A, pp. 3-5). Following commencement of the hearing, Petitioner confirmed that there was no longer a contested issue with respect to the Department's action regarding her FAP program benefits. Petitioner testified that her concerns regarding FAP were resolved, and she withdrew her hearing request with respect to FAP on the record. Therefore, Petitioner's request for hearing as it relates to FAP is **DISMISSED**.

MA

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 MS's eligibility criteria at redetermination, the Department concluded that Petitioner was eligible for MA coverage under the PFFP program. 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.

Because Petitioner was not age 65 or older, blind or disabled, under age 19, the parent or caretaker of a minor child, or pregnant or recently pregnant, Petitioner was potentially eligible for MA coverage only 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 MS were not eligible for HMP due to having household 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. Here, Petitioner filed taxes and claimed one dependent. Therefore, for HMP purposes, Petitioner has a household size of two, and the HCCDN improperly indicated that the group size was three. BEM 211 (October 1, 2023), pp. 1-2.

The annual FPL for a household size of two in 2024 is [REDACTED] FR 3424 (January 2024). 133% of the FPL, the HMP income limit, is [REDACTED] or [REDACTED] monthly. A 5% disregard that increases the income limit by an amount equal to 5% of the FPL for the group size is available to make eligible those individuals who would otherwise not be eligible. BEM 500 (April 1, 2022), p. 5. The 5% disregard would increase the HMP income limit for Petitioner and MS to [REDACTED] or [REDACTED] monthly. Thus, the maximum applicable income limit for HMP eligibility with the 5% disregard was [REDACTED] or [REDACTED] monthly.

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. *Id.* 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 line 11 of 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, childcare, 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.

At the hearing, Petitioner testified that she is a seasonal worker, only working during the school year, and is without income in the summer months. Petitioner acknowledged that she had not reported her seasonal work to the Department. Since the Department was not aware of Petitioner's seasonal work status, it properly relied on current monthly income in determining her HMP eligibility.

In assessing current monthly income, the Department had two paystubs showing biweekly pay of [REDACTED] on March 20, 2024 and [REDACTED] on April 3, 2024. A review of Petitioner's submitted paystubs revealed no deductions for childcare, medical insurance, or retirement savings. Thus, Petitioner was not eligible for any deductions to the gross income showing on the paystubs. Based on Petitioner's gross income and a group size of two, Petitioner's countable income did not exceed the HMP income limit of [REDACTED] monthly when the 5% disregard is considered. Although the HCCDN showed that the Department concluded that Petitioner's gross annual MAGI was [REDACTED] (Exhibit A, p. 19), or [REDACTED] monthly, the Department provided no evidence to support monthly income that was almost double that shown in the May paystubs. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it concluded that Petitioner and MS were not eligible for 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 that Petitioner and MS were eligible for MA coverage under the PFFP program only based on its calculation of Petitioner's income.

DECISION AND ORDER

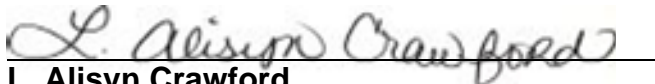
Petitioner's hearing request concerning FAP is **DISMISSED**.

The Department's decision is **REVERSED** with respect to Petitioner's MA case.

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 renewal form submitted by Petitioner on April 6, 2024,
2. If eligible, provide Petitioner and MS with the most beneficial MA coverage they are eligible to receive for June 1, 2024 ongoing; and
3. Notify Petitioner and MS 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

Susan Noel

Wayne-Inkster-DHHS

26355 Michigan Ave

Inkster, MI 48141

MDHHS-Wayne-19-Hearings@michigan.gov

Interested Parties

BSC4

M Schaefer

EQAD

MOAHR

Via First Class Mail:

Petitioner

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