



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

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Date Mailed: September 19, 2024
MOAHR Docket No.: 24-007652
Agency No.: ██████████
Petitioner: ██████ ██████

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 August 22, 2024, from Lansing, Michigan. ██████ ██████ the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Caleb Nygren, Haring Facilitator (HF).

During the hearing proceeding, the Department's hearing summary packet was admitted as Exhibit A, pp. 1-47.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA)?

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 receiving MA under the Healthy Michigan Plan category (MA-HMP). (Exhibit A, p. 3)
2. On April ██████ 2024, Petitioner submitted a redetermination packet for his MA case. Petitioner reported new employment with ████████████████████, 40 hours per week, \$████████ per week and no longer receiving unemployment benefits. Petitioner also reported paying \$████████ per week to Friend of the Court. (Exhibit A, pp. 14-16)

3. On May █ 2024, a Consolidated Inquiry Report showed no child support payments made and no unemployment benefits received. (Exhibit A, pp. 3 and 17)
4. On May █ 2024, a Verification Checklist was issued to Petitioner requesting verification of all earned and unearned income received in the last 30 days with a due date of June 3, 2024. (Exhibit A, pp. 17-22)
5. On May █ 2024, an Employment Verification was submitted stating Petitioner had been employed since October 4, 2021, works 40 hours per week, and makes \$█ per week. (Exhibit A, pp. 3 and 23-25)
6. On June █ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was denied effective July 1, 2024 because Petitioner did not meet criteria for other full coverage categories, such as not being under age 21, pregnant, blind, disabled, aged, or a caretaker of a minor child in the home. However, the correct reason for the denial is that Petitioner exceeds the income limit for MA-HMP. (Exhibit A, pp. 3 and 26-29)
7. On June █ 2024, the Department received a MA application for Petitioner through the Federal Marketplace. (Exhibit A, pp. 32-40)
8. On June █ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating Petitioner was approved for limited coverage under the Plan First category. (Exhibit A, pp. 41-43)
9. On June █ 2024, a Health Care Supplemental Questionnaire was issued to Petitioner with a due date of July 1, 2024. (Exhibit A, pp. 44-47)
10. On June 25, 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 5-12)

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.

The Department must periodically redetermine or renew an individual's eligibility for active programs. The redetermination/renewal process includes thorough review of all eligibility factors. BAM 210, January 1, 2024, p. 1.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Petitioner was only potentially eligible for full coverage MA under the Healthy Michigan Plan (MA-HMP) category based on the information provided on the Redetermination. For example, based on the information reported on the Redetermination, Petitioner was not under age 21, aged, blind, pregnant, disabled, or a parent or caretaker relative a dependent child. (Exhibit A, pp. 14-16)

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

The 2024 FPL for the 48 contiguous states and the District of Columbia for a group size of one is an annual income of \$15,060. Accordingly, 133% of FPL is \$20,029.80 for a group size of one. Divided by 12, this would equate to \$1,669.15 per month.

The Department counts the gross wage amount as earned income. BEM 501, January 1, 2024, p. 7.

BEM 500 addresses gross income, including garnishment or other withholding:

Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives.

Exception: The amount of self-employment income before any deductions is called total proceeds. The gross amount of self-employment income means the amount after deducting allowable expenses from total proceeds, but before any other deductions.

Garnishment or Other Withholding

Gross income includes amounts withheld from income which are any of the following:

- Voluntary.
- To repay a debt.
- To meet a legal obligation.

Some examples of amounts which may be withheld, but are still considered part of gross income are:

- Income taxes.
- Health or life insurance premiums.
- Medicare premiums.
- Union dues
- Loan payments.
- Garnishments.
- Court-ordered or voluntary child support payments.

BEM 500, April 1, 2022, pp. 4-5.

In this case, the Department utilized the income information provided for the Redetermination to determine eligibility for MA. On the Redetermination, Petitioner reported income of \$[REDACTED] every week from employment. (Exhibit A, p. 15). On May [REDACTED] 2024, an Employment Verification was submitted stating Petitioner had been employed since October 4, 2021, works 40 hours per week, and makes \$[REDACTED] per week. (Exhibit A, pp. 3 and 23-25). Accordingly, \$[REDACTED] was budgeted for Petitioner's income for MA. (Exhibit A, p. 30). Petitioner's income from employment exceeds the limit for MA-HMP, which equates to \$[REDACTED] per month.

Petitioner clarified that he pays alimony, not child support. Petitioner asserts that his income should be reduced by the amount he pays to Friend of the Court. (Exhibit A, p. 5; Petitioner Testimony). However, the BEM 500 policy is clear that gross income includes

amounts withheld to meet a legal obligation. BEM 500, April 1, 2022, p. 5. Therefore, Petitioner's income was properly budgeted without reduction for the reported payments to Friend of the Court. This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies.

Based on the income information Petitioner provided for the Redetermination, the Department properly determined that Petitioner's income exceeded the applicable income limit for MA-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 acted in accordance with Department policy when it determined Petitioner's eligibility for MA based on the available information.

DECISION AND ORDER

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

CL/dm



Colleen Lack
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

BSC3HearingDecisions

MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]