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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
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Date Mailed: September 30, 2024
MOAHR Docket No.: 24-007980
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on September 4, 2024, via teleconference. Petitioner appeared and represented herself. Edith Helm, Assistance Payments Worker, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-14.

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (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 an ongoing recipient of MA coverage under the Freedom to Work (FTW) MA category. MDHHS was required to review Petitioner's eligibility for FTW in June 2024 (Exhibit A, p. 1).
2. On ██████████ 2024, Petitioner contacted MDHHS and withdrew her request for MA based on a disability (Exhibit A, p. 7).
3. On June 20, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was not eligible for MA coverage, effective August 1, 2024 ongoing (Exhibit A, p. 12).
4. On July 9, 2024, Petitioner filed a request for hearing regarding her MA coverage (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).

Medicaid (MA) 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. MDHHS administers pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2024), p. 1.

In this case, MDHHS determined that Petitioner was not eligible for MA based on her disability status because Petitioner verbally withdrew her request to be considered disabled. Additionally, MDHHS determined that Petitioner was over the income limit for Healthy Michigan Plan (HMP) MA.

MA includes several sub-programs or categories. BEM 105, p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* Persons may qualify under more than one MA category. BEM 124 (July 2023), p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.* MDHHS must periodically redetermine or renew an individual's eligibility for active programs. BAM 210 (July 2024), p. 1. For MA, benefits stop at the end of the benefit period unless a renewal is completed, and a new benefit period is certified. *Id.*, p. 4.

FTW is an SSI-related Group 1 MA category that is available to clients with disabilities age 16 through 64 who have earned income. BEM 174 (January 2020), p.1. The client must be disabled according to the disability standards of the Social Security Administration (SSA), except employment, earnings, and substantial gainful activity (SGA) cannot be considered in the disability determination. *Id.* For the purposes of MA, if an individual is not eligible for Retirement, Survivors, and Disability Insurance (RSDI), the Disability Determination Service (DDS) must certify the disability. BEM 260 (January 2023), p. 3. Clients not eligible for RSDI based on disability or blindness must provide evidence of their disability or blindness. *Id.*, p. 4. MDHHS does not refer a client for a medical determination if there is a valid disability determination. *Id.* Valid means that the medical review is not due or past due. *Id.* A client who refuses or fails to submit to an

exam necessary to determine disability or blindness cannot be determined disabled or blind and MDHHS must deny the application or close the case. *Id.*

Here, MDHHS testified that it needed to recertify Petitioner's eligibility for FTW based on her disability status because she was due for a medical review. Petitioner acknowledged that she was contacted by MDHHS about her disability status and that she did not cooperate with the process. Petitioner testified that she was confused and did not understand why she was being contacted. Although inadvertent, the record shows that Petitioner did not cooperate with DDS, and therefore, MDHHS could not certify her disability and properly closed her SSI-related MA case. Petitioner was advised that she could reapply for MA based on her disability at any time.

Additionally, MDHHS determined that Petitioner was over the income limit for HMP MA based on her annual income of \$[REDACTED]. Petitioner did not submit sufficient evidence to show that MDHHS improperly budgeted her income. HMP income limits are based on 133% of the Federal Poverty Level (FPL). RFT 246 (April 2014), p. 1. MDHHS also applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500, p. 5. Thus, HMP income limits are functionally 138% of FPL. The 5% disregard is the amount equal to 5% of the FPL, not a flat 5% disregard of income. BEM 500, p. 5. Effective January 17, 2024, 100% of FPL was \$15,060.00 annually for a one-person household residing in the contiguous 48 states. For Petitioner to be eligible for HMP MA in 2024, her net income would have to be at or below \$20,782.80 per year or \$1,731.90 per month, which represents 138% of FPL. Persons with income less than 200% of FPL (applying the 5% disregard), which was \$30,120.00 annually or \$2,510.00 monthly in 2024, can qualify for Plan First MA, a limited coverage MA category. Because Petitioner's annual income of \$[REDACTED] exceeded the income limits for HMP and Plan First MA, MDHHS properly determined that she was not eligible for the programs due to excess 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 MDHHS acted in accordance with Department policy when it determined Petitioner's MA eligibility.

DECISION AND ORDER

Accordingly, MDHHS' decision is **AFFIRMED**.

LJ/pt


Linda Jordan

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
Kim Cates
Bay County DHHS
1399 W. Center Road
Essexville, MI 48732
MDHHS-Bay-Hearings@michigan.gov

Interested Parties

BSC2
M. Schaefer
EQAD
MOAHR

Via-First Class Mail:

Petitioner

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