



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

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Date Mailed: September 13, 2024
MOAHR Docket No.: 24-009015
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 via telephone conference on September 11, 2024. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Brian Francek, specialist.

ISSUE

The issue is whether MDHHS properly denied Petitioner's Medical Assistance (MA) application.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On ██████████ 2024, Petitioner applied for MA benefits and reported being not pregnant, not disabled, 19-65 years, not a Medicare recipient, and not a caretaker to minor children. Petitioner listed being married and having no household members other than herself.
2. On an unspecified date, Petitioner submitted to MDHHS the following weekly pay documents listing gross weekly income beginning ██████████ 2024: \$██████, \$██████, \$██████, and \$██████.
3. On July 24, 2024, MDHHS denied MA benefits to Petitioner beginning September 2024.
4. On August 5, 2024, Petitioner requested a hearing to dispute the denial of MA benefits.

CONCLUSIONS OF LAW

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a denial of MA benefits. Exhibit A, p. 4. Petitioner applied for MA benefits on July 21, 2024. Exhibit A, pp. 7-12. A Health Care Coverage Determination Notice dated July 24, 2024 stated that Petitioner was ineligible for various MA categories beginning September 2024.¹ Exhibit A, pp. 19-22. Determining whether MDHHS properly denied Petitioner's MA eligibility requires a consideration of MA categories.

Medicaid is also known as MA. BEM 105 (October 2023) p. 1. The MA program includes several sub-programs or categories. *Id.* 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.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MIChild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.² *Id.*

Persons may qualify under more than one MA category. *Id.*, 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.*

Petitioner's application reported being not pregnant, not disabled, 19-65 years, not a Medicare recipient, and not a caretaker to minor children. Exhibit A, pp. 7-12. Under the circumstances, Petitioner's only potential MA category with full MA coverage is the MAGI-related category of HMP. The denial notice stated Petitioner was ineligible for HMP due to excess income. Exhibit A, p. 20.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code.³ 42 CFR 435.603(e). For individuals who have been determined financially-

¹ MA benefits are processed beginning with the application month (see BAM 400). During the hearing, MDHHS could not explain why the written notice did not deny MA benefits beginning [REDACTED] 2024: the month of application.

² Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

³ Income exceptions are made for lump-sums which are counted as income only in the month received; scholarships, awards, or fellowship grants used for education purposes and not for living expenses; and various exceptions for American Indians and Alaska natives. No known exceptions are applicable to the present case.

eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603(h). MDHHS elected to determine HMP eligibility based on current monthly income.⁴

MAGI can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.⁵ Common deductions and disregards which should be factored in determining a person's adjusted gross income include alimony payments, unreimbursed business expenses, Health Savings Account (e.g., 401k) payments, and student loan interest.⁶ There was no evidence of applicable expenses.

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (October 2023) p. 1. The household for a tax filer, who is not claimed as a tax dependent, consists of: the tax filer, the tax filer's spouse, and tax dependents. *Id.*, p. 2.

MDHHS factored an HMP benefit group including only Petitioner. Petitioner's application reported she was married with no tax dependents. However, Petitioner did not report her spouse as a household member. Spouses residing together would be in the same HMP benefit group; the same is not necessarily true of spouses that are separated. Given Petitioner's failure to report her spouse as a household member, MDHHS cannot be faulted for accepting Petitioner's reported circumstances of separation. It is found that MDHHS properly determined Petitioner's MA eligibility based on a group size of one person.

MDHHS presented Petitioner's gross weekly wage documents beginning [REDACTED], 2024. Exhibit A, pp. 15-18. The documents verified gross income of \$[REDACTED], \$[REDACTED], \$[REDACTED], and \$[REDACTED]. Adding the income and dividing by four results in a gross weekly average income of \$645. Multiplying the income by 52 weeks results in an annual income of \$[REDACTED]. MDHHS calculated an annual income of \$[REDACTED]. As MDHHS calculated a slightly lower (thus, more favorable for Petitioner) income, it will be accepted as correct.

Petitioner testified that she has mortgage expenses and a medical bill from April 2024 for \$1,853 (see Exhibit A, p. 5). Petitioner also testified that she is a student who financially supports her spouse. Petitioner's testimony was sincere; however, it is ultimately not relevant to determining HMP eligibility.

HMP income limits are based on 133% of the federal poverty level (FPL). RFT 246 (April 2014) p. 1. Also, MDHHS applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (April 2022) p. 5. Thus, HMP income limits are functionally 138% of the FPL. The 2024 FPL for a 1-person group

⁴ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

⁵ <https://www.investopedia.com/terms/a/agi.asp>

⁶ *Id.*

residing in Michigan is \$15,060.⁷ Multiplying the FPL by 1.38 results in an income limit of \$ [REDACTED] Petitioner's benefit group's MAGI exceeded the HMP income limit. Given the evidence, MDHHS properly denied Petitioner's MA eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's application for MA benefits dated [REDACTED] [REDACTED] 2024. The actions taken by MDHHS are **AFFIRMED**.

CG/pt



Christian Gardocki
Administrative Law Judge

⁷ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

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
Chelsea McCune
Macomb County DHHS Warren Dist.
13041 E 10 Mile
Warren, MI 48089
MDHHS-Macomb-20-Hearings@michigan.gov

Interested Parties
BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail:

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