



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: November 26, 2024
MOAHR Docket No.: 24-010239
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

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 October 30, 2024, from Lansing, Michigan. [REDACTED] [REDACTED] the Petitioner, appeared on her own behalf. The Department of Health and Human Services (Department) was represented by Jennifer Richard, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-42.

ISSUE

Did the Department properly determine Medical Assistance (MA) eligibility for Petitioner and her husband?

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 her husband were receiving MA under the Healthy Michigan Plan (MA-HMP) category. (APS Testimony)
2. On August [REDACTED] 2024, Petitioner submitted a Redetermination for MA and reported updated information regarding her husband's self-employment income. A profit and loss statement was included. (Exhibit A, pp. 2 and 15-22)

3. On August ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner indicating MA-HMP benefits for Petitioner and her husband would close effective October 1, 2024, based on excess income. (Exhibit A, pp. 32-37)
4. On August ■ 2024, a Verification Checklist was issued requesting verification of checking and savings accounts with a due date of September ■ 2024. (Exhibit A, pp. 23-24)
5. On September ■ 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-14)
6. On September ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner indicating MA benefits were denied for Petitioner and her husband based on a failure to return requested verifications. (Exhibit A, pp. 38-41)
7. On September ■ 2024, the MA case was reinstated, income and expenses were updated, and the case was pending for proof of savings account with a due date of September ■ 2019. (Exhibit A, pp. 25-26)
8. On September ■ 2024, a Verification Checklist was issued requesting a copy of the Federal income tax return with a due date of September ■ 2024. (Exhibit A, pp. 27-30)
9. MA benefits were subsequently denied for Petitioner and her husband based on the failure to provide verifications. (APS Testimony)

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 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 and her husband were previously receiving MA under the HMP category. (APS Testimony).

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. MA-HMP does not have an asset test. BEM 137, January 1, 2024, p. 3.

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 two is an annual income of \$20,440.00. Accordingly, 133% of FPL is \$27,185.20 for a group size of two. Divided by 12, this would equate to \$2,265.43 per month.

The amount of self-employment income before any deductions is called total proceeds. Countable income from self-employment equals the total proceeds minus allowable expenses of producing the income. If allowable expenses exceed the total proceeds, the amount of the loss cannot offset any other income except for farm loss amounts; see Farming Expenses in this item. BEM 502, June 1, 2024, p. 3.

In this case, Petitioner reported that her husband's self-employment income was \$[REDACTED] on the Redetermination. Petitioner indicated that each month the income and expenses are different. (Exhibit A, pp. 17-18). Yearly income of \$[REDACTED] was also reported for Petitioner's husband. (Exhibit A, p. 21).

Petitioner did not dispute that she and her husband exceed the income limit for MA-HMP. Petitioner questioned why asset verifications were requested. (Petitioner Testimony).

The Department requested verifications needed to determine whether Petitioner and her husband and eligible for MA under another category. Specifically, there was potential eligibility under the Group 2 Caretaker Relative category (MA-G2C). (APS Testimony) The MA-G2C category has an asset limit of \$3,000.00. BEM 400, June 1, 2024, p. 8. Accordingly, while asset verification was not needed when Petitioner and her husband qualified for MA-HMP, asset verification was needed to consider eligibility under the MA-G2C category.

In general, verification is to be obtained when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. The Department must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department should use the best available information. If no evidence is available, the Department is to use their best judgment. BAM 130, May 1, 2024, pp. 1-4.

For MA, the Department must allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, the Department can extend the time limit up to two times when specific conditions are met. These conditions include that the customer/authorized representative need to make the request. An extension should not automatically be given. Verifications are considered timely if received by the date they are due. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 8-9

Petitioner acknowledged that the banking verifications were not submitted to the Department. Petitioner explained that her husband said they should not give the Department the banking information. (Petitioner Testimony).

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.

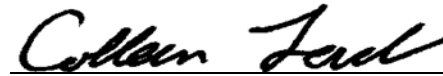
Based on the income information Petitioner provided for the redetermination, the Department properly determined that income exceeded the applicable income limit for MA-HMP. Further, the Department properly requested asset verifications when needed to determine eligibility for MA under the G2C category and denied ongoing eligibility when the verifications were not submitted.

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 MA eligibility for Petitioner and her husband.

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
Kimberly Kornoelje
Kent County DHHS
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EQADHearings

BSC2HearingDecisions

MOAHR

Via-First Class Mail :

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