



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

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

Date Mailed: November 14, 2024
MOAHR Docket No.: 24-010722
Agency No.: [REDACTED]
Petitioner: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on November 7, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Angela Ware, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage effective August 1, 2024?

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 May 2, 2024 and May 14, 2024, the Department received a completed MA Semi-Annual Contact Report from Petitioner.
2. Petitioner is [REDACTED] years old, has been legally separated since 2013, is a tax filer with one tax dependent, and is not enrolled in Medicare.
3. On June 18, 2024, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner that approved Petitioner for Plan First MA coverage effective August 1, 2024 ongoing. (Exhibit A, pp. 8 – 10).

4. On September 16, 2024, the Department received a request for hearing from Petitioner disputing the Department's approval of Petitioner for Plan First only, and closure of her Food Assistance Program (FAP) case. (Exhibit A, pp. 3 – 4).

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 a hearing to dispute the Department's determination of her MA eligibility for Plan First Family Planning (PFFP) MA only, and to dispute the closure of her FAP case.

Petitioner's request for hearing regarding FAP was withdrawn on the record and the Department had no objection. Therefore, Petitioner's request for hearing as to FAP is dismissed and this decision will only address Petitioner's request for hearing as to MA.

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.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2.

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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

In this case, Petitioner testified that she was ■ years old, has been legally separated since 2013, is a tax filer with one dependent, and was not enrolled in Medicare. Petitioner's dependent is her 18 year old son. There was no evidence that Petitioner

was blind, disabled, or pregnant. Although the Department testified that its records reflect that Petitioner's son is still in high school, a statement by Petitioner confirmed that he was to begin college in August or September 2024, and there was no evidence that he was still enrolled in high school or an equivalent technical or vocational program as of August 1, 2024. (Exhibit A, p. 6); BEM 135 (October 2015), p. 3. Therefore, Petitioner is potentially eligible for under full-coverage HMP and/or PFFP MA coverage only.

HMP and PFFP are Modified Adjusted Gross Income (MAGI)-related MA programs, with HMP providing full coverage and PFFP (BEM 124, p. 1) providing limited coverage. Because HMP offers full MA coverage, it is a more beneficial coverage for Petitioner than PFFP.

To qualify for health care coverage under HMP, the individual must:

- be 19 – 64 years of age,
- not qualify for or be enrolled in Medicare,
- not qualify for or be enrolled in other Medicaid programs,
- not be 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, p. 1.

An individual is eligible for HMP if their 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 testified that she is a tax filer with one dependent. Therefore, for HMP purposes, Petitioner has a household size of two. BEM 211 (October 2023), pp. 1 – 2.

Beginning in January 2024, the annual FPL for a household size of two is \$20,440. 89 Fed Reg 2961 (January 2024). The HMP income limit, 133% of the FPL, for a household size of two is \$27,185.20 annually, or \$2,265.43 per month. For HMP, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500, p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500, p. 5. 5% of the FPL of \$20,440 is \$1,022. Therefore, the total income limit, with the disregard, was \$28,207.20, or \$2,350.60 per month.

To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group. BEM 500, p. 1. To determine financial eligibility for MAGI-related MA, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 3 – 4. MAGI is based on Internal Revenue Service rules and relies on federal tax information from current income sources. BEM 500, pp. 3 – 4; see also 42 CFR 435.603(h)(1),(2).

The Department uses current monthly income, and reasonably predictable changes in income, to calculate a client's MAGI-income. (MAGI-Based Income Methodologies (SPA 17-0100), eff. 11/01/2017, app. 03/13/2018)¹; 42 CFR 435.603(h). MAGI-income is calculated for each income earner in the household by using the "federal taxable wages" reported on earner's paystubs or, if federal taxable wages are not reported on the paystub, by using "gross income" minus amounts deducted by the employer for child care, health coverage, and retirement plans. A client's tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest, if any, are added to the client's adjusted gross income (AGI) from the client's tax return. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

The parties agreed that Petitioner provided paystubs to the Department for four weekly pay periods for May 2024 and that Petitioner earned \$640 in gross income each week. The evidence established, and Petitioner confirmed, that she has since received a raise and now earns \$720 in gross income per week. (Exhibit A, pp. 15 – 22). There was no evidence that Petitioner had or has any child care, health coverage, or retirement plan deductions from her income. (Exhibit A, pp. 15 – 22). Because Petitioner's four weekly paystubs from May 2024 total \$2,560, her income was, and remains, more than the \$2,350.60 per month HMP limit including the disregard, the Department properly determined Petitioner was ineligible for HMP and approved her for PFFP MA.

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 approved Petitioner for PFFP MA coverage.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
Administrative Law Judge

¹ https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf?rev=223500fb0cf44dd78fd995e635fbaec8&hash=6A39DE5525422009644221A5E57513D7, p. 7.

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
Tracy Felder
Wayne-Southwest-DHHS
2524 Clark Street
Detroit, MI 48209
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Interested Parties

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Via-First Class Mail :

Petitioner

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