



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

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

Date Mailed: December 17, 2024
MOAHR Docket No.: 24-012524
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jeffrey Kemm

HEARING DECISION

On October 29, 2024, Petitioner [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on December 12, 2024. Public assistance hearings are held 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Hearing Facilitator Tamara Jackson appear as its representative. Neither party had any additional witnesses.

Sworn testimony was provided by both parties, and one exhibit was admitted into evidence. A 31-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUE

Did the Department properly determine Petitioner's Medicaid eligibility?

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 had Medicaid through the Healthy Michigan Plan.
2. Petitioner is not married.
3. Petitioner's date of birth is [REDACTED]

4. On [REDACTED] 2024, Petitioner submitted a redetermination form to the Department to renew her Medicaid eligibility. In the redetermination form, Petitioner reported that she plans to file an individual income tax return, and she plans to claim her minor daughter as a dependent. Petitioner reported that she was employed at McLaren.
5. Petitioner provided the Department with paystubs from McLaren. Petitioner's paystubs showed that Petitioner received the following gross wages:
 - a. [REDACTED] paid September 13, 2024. Petitioner's pay included [REDACTED] for 60 hours of regular time at [REDACTED] for 15.6 hours of holiday time at [REDACTED], and [REDACTED] for 34.1 hours of a [REDACTED]/hour shift premium. A deduction of [REDACTED] was withheld from Petitioner's pay for a 403(b) contribution.
 - b. [REDACTED] paid September 27, 2024. Petitioner's pay included [REDACTED] for 72.5 hours of regular time at [REDACTED] for 3.6 hours of overtime, and [REDACTED] for 31.1 hours of a [REDACTED]/hour shift premium. A deduction of [REDACTED] was withheld from Petitioner's pay for a 403(b) contribution.
6. The Department reviewed Petitioner's case to redetermine her Medicaid eligibility.
7. The Department determined that Petitioner's income exceeded the income limit for Medicaid through the Healthy Michigan Plan.
8. On October 11, 2024, the Department issued a health care coverage determination notice to Petitioner to notify her that she was only eligible for limited-coverage Medicaid through Plan First, effective November 1, 2024.
9. Petitioner requested a hearing to dispute the Department's determination.
10. Petitioner provided the Department with additional paystubs from McLaren. Petitioner's paystubs showed that Petitioner received the following gross wages:
 - a. [REDACTED] paid October 11, 2024. Petitioner's pay included [REDACTED] for 60.9 hours of regular time at \$[REDACTED] for 3.7 hours of overtime, [REDACTED] for 31.67 hours of a [REDACTED]/hour shift premium, [REDACTED] for 0.5 hours of education time at [REDACTED]/hour, and [REDACTED] for 10.7 hours of paid time off at [REDACTED]/hour. A deduction of [REDACTED] was withheld from Petitioner's pay for a 403(b) contribution.
 - b. [REDACTED] paid October 25, 2024. Petitioner's pay included [REDACTED] for 79.3 hours of regular time at [REDACTED]/hour, [REDACTED] for 8.4 hours of overtime, and [REDACTED] for 45.2 hours of a [REDACTED]/hour shift premium. A deduction of [REDACTED] was withheld from Petitioner's pay for a 403(b) contribution.
11. On November 10, 2024, Petitioner's employer wrote a letter to provide information about her employment. The letter stated that Petitioner is a part-time psychiatric

technician, Petitioner's hourly pay rate is [REDACTED], Petitioner's standard hours are 48 hours every two weeks, and Petitioner's year-to-date gross earnings were [REDACTED]

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 is also known as Medical Assistance. The Medical Assistance 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Health care coverage for adults is available through various programs, including the Healthy Michigan Plan. In order for an individual to be eligible for full-coverage Medicaid through the Healthy Michigan Plan, the individual must be age 19 to 64 and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (January 1, 2024), p. 1. However, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500 (April 1, 2022), p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the group size. *Id.* at 5.

The household size is determined based on tax filer and tax dependent rules. BEM 211 (October 1, 2023), p. 1. For tax filers, the household size includes the tax filer, the tax filer's spouse, and all dependents claimed. *Id.* at 1-2. Here, Petitioner's household size is two because Petitioner is a single tax filer, and she plans to claim one dependent.

The FPL for a household size of two in 2024 is \$20,440.00. 89 FR 2961 (January 17, 2024). Since the applicable FPL is \$20,440.00, 133% of the FPL is \$27,185.20, and 133% with a 5% disregard is \$28,207.20. Thus, the income limit for Petitioner to be eligible for Medicaid through the Healthy Michigan Plan is \$28,207.20 per year.

Income eligibility is based on modified adjusted gross income (MAGI) for Healthy Michigan. BEM 137 at 1 and 7 CFR 435.603. MAGI is defined as adjusted gross income increased by (1) excluded foreign income, (2) tax exempt interest, and (3) the amount of social security benefits excluded from gross income. 26 USC 36B(d)(2)(B). Adjusted gross income is that which is commonly used for Federal income taxes, and it is defined as gross income minus deductions for business expenses, losses on the sale or exchange of property, retirement contributions, and others. 26 USC 62.

The Department begins its income determination by examining a client's self-reported income. BEM 500 at 5. If the client's self-reported income is over the income limit, then the client is ineligible. *Id.* If the client's self-reported income is below the income limit, the Department compares the client's self-reported income to income obtained from trusted sources to determine if the two are compatible. *Id.* Income is compatible if the difference between the two is 10% or less. *Id.* If the two are compatible, then the Department uses the client's self-reported income. *Id.* If the two are not compatible and the income obtained from trusted sources is over the income limit, then the Department requires the client to provide proof of the self-reported income. *Id.* at 5-6.

Based on the evidence presented, Petitioner's income exceeded the income limit for Medicaid through the Healthy Michigan Plan. Petitioner testified that she normally only works 48 hours biweekly, and she testified that her normal hourly rate is [REDACTED]. Petitioner also provided a letter from her employer reporting the same. However, based on the paystubs that Petitioner provided, Petitioner often works more than 48 hours biweekly, and Petitioner often receives a shift premium of [REDACTED]/hour. Based on the paystubs that Petitioner provided, Petitioner receives average gross pay (excluding overtime) of [REDACTED] biweekly. Additionally, Petitioner has an average pre-tax deduction of [REDACTED] withheld biweekly. Pre-tax deductions are excluded for MAGI. BEM 500 at 6. Thus, Petitioner's countable biweekly pay is [REDACTED]. Petitioner's countable biweekly pay of [REDACTED] is equal to an annual income of [REDACTED].

Since Petitioner's income limit for Medicaid through the Healthy Michigan Plan is \$28,207.20, and since Petitioner's annual income is [REDACTED] the Department properly determined that Petitioner's income exceeds the income limit for Medicaid through the Healthy Michigan Plan.

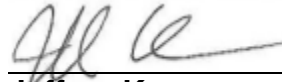
The Department found Petitioner eligible for limited-coverage Medicaid through Plan First because the Department determined that it was the best Medicaid coverage that Petitioner was eligible for. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited-coverage Medicaid through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's income was less than the income limit, so the Department properly found Petitioner eligible for limited-coverage Medicaid through Plan First.

DECISION AND ORDER

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 its policies and the applicable law when it determined Petitioner's Medicaid eligibility.

IT IS ORDERED the Department's decision is **AFFIRMED**.

JK/pe



Jeffrey Kemm
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

Tamara Jackson
Lapeer County DHHS
1505 Suncrest Dr.
Lapeer, MI 48846
**MDHHS-Lapeer-
Hearings@michigan.gov**

Interested Parties

BSC2
M. Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

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██████ MI ██████

Authorized Hearing Representative

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