



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], MI [REDACTED]

Date Mailed: April 2, 2024  
MOAHR Docket No.: 24-002042  
Agency No.: 103168727  
Petitioner: [REDACTED] [REDACTED]

**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 March 27, 2024. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Bianca Taylor, specialist.

### **ISSUE**

The issue is whether MDHHS properly terminated Petitioner's Medical Assistance (MA) 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. As of December 2023, Petitioner was an ongoing recipient of benefits under the MA category of Transitional Medicaid (TMA).
2. On January 5, 2024, Petitioner received \$ [REDACTED] in gross biweekly wages from her employer.
3. As of January 28, 2024, Petitioner submitted redetermination documents to MDHHS reporting a household including a minor child. Petitioner also reported that she was unmarried, not pregnant, aged between 19 and 65 years, and not disabled.

4. On January 30, 2024, MDHHS sent Petitioner notice of MA benefit termination beginning March 2024.
5. On February 23, 2024, Petitioner requested a hearing to dispute the termination 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 termination of MA benefits Exhibit A, pp. 3-4. A Health Care Coverage Determination Notice dated January 30, 2024, stated that Petitioner was ineligible for MA benefits beginning March 2024.<sup>1</sup> Exhibit A, pp. 6-7

The MA program includes several sub-programs or categories. BEM 105 (October 2023) 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 and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *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.*

As of the disputed benefit month, Petitioner was aged 19-65 years, not pregnant, not disabled, and not a caretaker to minor children. Under the circumstances, Petitioner's potential category with full MA coverage and the highest income limit is the MAGI-related category of HMP.<sup>2</sup> MDHHS testified that Petitioner was ineligible for HMP due to excess income.

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<sup>1</sup> On February 29, 2024, MDHHS approved Petitioner for the limited-coverage MA category of Plan First beginning March 2024. Exhibit A, pp. 18-20.

<sup>2</sup> Petitioner's previous MA eligibility was under the category of TMA. TMA is only applicable when previous MA eligibility was under Low Income Family. BEM 111 (April 2018) p. 1. Adults with a dependent child and income under 54 percent of the Federal Poverty Level (FPL) will be considered LIF eligible. BEM 110 (April 2018) p. 1. HMP eligibility is based on 138% of the FPL.

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.<sup>3</sup> 42 CFR 435.603(e). For individuals who have been determined financially-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.<sup>4</sup>

MAGI can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.<sup>5</sup> 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.<sup>6</sup> There was no evidence of applicable expenses.

Petitioner testified she is a tax filer with one dependent.<sup>7</sup> Under the circumstances, Petitioner's HMP group size is two persons.<sup>8</sup>

Petitioner's only income derived from employment.<sup>9</sup> TheWorkNumber documents listed one biweekly gross pay for \$ [REDACTED] on January 5, 2024. Exhibit A, pp. 13-14. Multiplying the income by two converts the income into a monthly amount of \$ [REDACTED]

HMP income limits are based on 133% of the federal poverty level (FPL). RFT 246 (April 2014) p. 1. MDHHS applies a 5% income disregard when the disregard is the difference between a client's eligibility and ineligibility. BEM 500 (July 2017) p. 5. The disregard functionally renders the HMP income limit to be 138% of the FPL. The 2024 federal poverty level for a 2-person group residing in the United States is \$20,440.<sup>10</sup> For Petitioner to be eligible for HMP, Petitioner's income would have to not exceed \$28,207.20 (\$2,350.60 per month). Petitioner's monthly income exceeded the HMP income limit.

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<sup>3</sup> 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.

<sup>4</sup> [https://www.michigan.gov/documents/mdhhs/SPA\\_17-0100\\_Approved\\_638230\\_7.pdf](https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf)

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

<sup>6</sup> *Id.*

<sup>7</sup> Presumably, Petitioner incorrectly reported on her redetermination documentation that no persons in her household were tax filers.

<sup>8</sup> See BEM 211 for MDHHS policy to determine group size.

<sup>9</sup> Petitioner testified that Supplemental Security Income benefits stopped for her child when she began employment.

<sup>10</sup> <https://www.healthcare.gov/glossary/federal-poverty-level-fpl/>

Petitioner's gross monthly income exceeds the income limit for HMP. Thus, MDHHS properly terminated Petitioner's HMP eligibility. Because Petitioner is not eligible for any other Group 1 MA categories, MDHHS properly terminated Petitioner's MA eligibility.<sup>11</sup>

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's MA eligibility beginning March 2024. The actions taken by MDHHS are **AFFIRMED**.

CG/nr

  

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**Christian Gardocki**  
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

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<sup>11</sup> Petitioner may still be eligible under the Group 2 Caretaker (G2C) category. Group 2 MA categories allow for Medicaid but subject to a monthly deductible. MDHHS suggested that Petitioner's Group 2 eligibility was pending. Petitioner can again request a hearing if dissatisfied with the outcome of the pending G2C eligibility.

**Via-Electronic Mail :**

**DHHS**

Keisha Koger-Roper  
Wayne-District 31 (Grandmont)  
17455 Grand River  
Detroit, MI 48227

**MDHHS-Wayne-31-Grandmont-  
Hearings@Michigan.gov**

**Interested Parties**

Wayne 31 County DHHS  
BSC4  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail :**

**Petitioner**

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