



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

██████████  
██████████  
██████████ MI ██████████

Date Mailed: March 26, 2024  
MOAHR Docket No.: 24-000411  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler**

**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 March 7, 2024. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist.

**ISSUE**

Did the Department properly determine ██████████ eligibility for Medical Assistance (MA) Program benefits?

**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 November 1, 2023, the Department received Petitioner's application for MA benefits listing five household members including ██████████.
2. On November 14, 2023, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that ██████████ was eligible for MA with a deductible of \$1,664.00 per month effective November 1, 2023 and Plan First (PF) effective December 1, 2023.
3. On January 11, 2024, the Department received a request for hearing from ██████████ ██████████ disputing the MA coverage for herself.

4. The household includes Petitioner, [REDACTED] who is the mother of Petitioner's children, but they are not legally married, and three children ages [REDACTED], [REDACTED], and [REDACTED].
5. The Department did not become aware that Petitioner and [REDACTED] are not legally married until the hearing.
6. The Department relied upon previously verified employment income information for [REDACTED] showing the following wages:

October 6, 2023	[REDACTED]
October 13, 2023	[REDACTED]
October 20, 2023	[REDACTED]
October 27, 2023	[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).

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.

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, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (October 2023), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105 (January 2021), p. 2; 42 CFR 435.404.

No evidence was provided as to [REDACTED] age. Nor was any evidence presented that she has been determined to be blind or disabled, under age 19, or pregnant or recently pregnant. Therefore, she was potentially eligible for MA coverage under HMP. HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64

years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

In this case, MDHHS concluded that [REDACTED] was not eligible for HMP due to having income that exceeded the applicable income limit for Petitioner's group size. An individual is eligible for HMP if the household's 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. In this case, the Department was under the impression that [REDACTED] and Petitioner were married, however, they are not. Because [REDACTED] is not married, she cannot file taxes jointly, but still may claim at least one dependent, her minor child and potentially her other two other children depending on the tax status. No evidence was provided regarding [REDACTED] tax filing status. Policy allows [REDACTED] to include a spouse, natural and adopted children under age 19 or up to age 21 if a full-time student. Again, no evidence was provided regarding the children's student status. Therefore, this decision proceeds based upon a group size of two including Petitioner and her minor child. BEM 211 (October 2023), p. 2. 133% of the annual FPL in 2023 (the most current applicable FPL) for a household with two members is \$26,227.60. See <https://www.federalregister.gov/documents/2023/01/19/2023-00885/annual-update-of-the-hhs-poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's and his wife's combined annual income cannot exceed \$26,227.60 or \$2,185.63 per month.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (July 2020), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, the Department bases financial eligibility on current monthly household income. Centers for Medicare & Medicaid Services, *State Plan Amendment 17-0100 Approval Notice*, (March 19, 2018), p. 7. MAGI is calculated by reviewing the client's adjusted gross income (AGI) and adding it to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <<https://www.healthcare.gov/glossary/modified-adjusted-gross-income-magi/>> (accessed July 20, 2023). AGI is found on IRS Tax Form 1040 at line 11. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <<https://www.healthcare.gov/glossary/adjusted-gross-income-agi/>> (accessed July 20, 2023). Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, childcare, or retirement savings. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <<https://www.healthcare.gov/income-and-household-information/how-to-report/>> (accessed July 20, 2023). In situations where income is difficult to predict because of unemployment, self-employment, commissions, or a work schedule that changes

regularly, income should be estimated based upon past experiences, recent trends, possible changes in the workplace, and similar information. *Id.*

Petitioner had gross earned income of [REDACTED] in the 30-day period of verified income. No additional income evidence was presented for Petitioner or her minor child. Based on this evidence, [REDACTED] income falls below the HMP income limit, and the Department erred in determining her MA eligibility.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined [REDACTED] MA eligibility.

### **DECISION AND ORDER**

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine [REDACTED] MA eligibility effective November 1, 2023;
2. If otherwise eligible, issue supplements to [REDACTED] or on her behalf for benefits not previously received; and,
3. Notify [REDACTED] in writing of its decision.

AMTM/cc



---

**Amanda M. T. Marler**  
Administrative Law Judge

