



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]  
MI [REDACTED]

Date Mailed: May 15, 2024  
MOAHR Docket No.: 24-002103  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford**

### **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 April 17, 2024. Petitioner was present at the hearing and was represented by Jeahad Kadaf, attorney (P-82492). The Department of Health and Human Services (Department) was represented by Heather Sneden, Assistant Attorney General (AAG), and testifying on behalf of the Department were Anthony White, Assistance Payments Supervisor, and Marc Towns, Assistance Payments Worker.

### **ISSUE**

Did the Department properly determine 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. Petitioner was an ongoing recipient of MA coverage under the Healthy Michigan Plan (HMP).
2. Petitioner is under age [REDACTED] married, and lives with her spouse. Petitioner is a full-time caretaker to her disabled husband. (Exhibit A, pp. 3-4).
3. Petitioner's spouse receives monthly unearned income in the form of Retirement, Survivors, and Disability Insurance (RSDI) in the amount of [REDACTED]. Petitioner's spouse has his monthly medical insurance premiums deducted from his RSDI monthly in the amount of \$174.70, which leaves a net monthly amount of [REDACTED] (Exhibit A, p. 9).

4. On February 1, 2024, Petitioner submitted a redetermination application to the Department for review. (Exhibit A, p. 6).
5. On February 2, 2024, the Department issued a Health Care Coverage Determination Notice (HCCDN) informing Petitioner that effective March 1, 2024 ongoing, she was only eligible for MA coverage under the Plan First Family Planning (PFFP) program due to her household's total countable annual income of [REDACTED] with a health care household size of two. (Exhibit A, p. 11).
6. On February 23, 2024, the Department received a request for hearing from Petitioner disputing its determination. (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).

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.

Upon reviewing Petitioner's eligibility criteria at redetermination, the Department concluded that Petitioner was eligible for MA coverage under the PFFP program. Petitioner disputes this coverage.

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 Family Planning Medicaid (PFFP-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), 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.

Because Petitioner was not age 65 or older, blind or disabled, under age 19, the parent or caretaker of a minor child, or pregnant or recently pregnant, Petitioner was potentially

eligible for MA coverage only under HMP. HMP is a Modified Adjusted Gross Income (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, the Department concluded that Petitioner 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, Petitioner did not file taxes and had two household members. Therefore, for HMP purposes, Petitioner has a household size of two. BEM 211 (October 2023), pp. 1-2.

The annual FPL for a household size of two in 2024 was \$27,594.00. CFR 3424 (January 2024). 133% of the annual FPL, the HMP limit, in 2024 (the most current applicable FPL) for a household with two members is \$27,594.00. See <https://aspe.hhs.gov/poverty-guidelines>. A 5% disregard that increases the income limit by an amount equal to 5% of the FPL for the group size is available to make eligible those individuals who would otherwise not be eligible. BEM 500 (April 2022) p. 5. The 5% disregard would increase the HMP annual income limit for Petitioner to \$28,207.20. Therefore, to be income eligible for HMP, Petitioner's group's annual income cannot exceed [REDACTED]

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p.3. To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS Tax Form 1040, 1040-SR or 1040-NR at line 11. 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, child care, or retirement savings. See <https://www.healthcare.gov/income-and-household-information/how-to-report/> MDHHS considers *current* monthly income and family size (except for individuals who report seasonal work and complete a projected annual income field on the MA application to show work for only a portion of the year with reasonably predictable changes in income within the upcoming 12 months). Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1, 2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018 is available at [https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA\\_17-0100\\_Approved.pdf](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf).

Here, the Department based Petitioner's income on her spouse's monthly RSDI benefit payments in the amount of [REDACTED]. Thus, Petitioner's countable gross income for MAGI purposes was [REDACTED] per month, or [REDACTED] annually. With a group size of two, Petitioner's income exceeds the HMP limit of \$ [REDACTED] monthly, or [REDACTED] annually, and Petitioner is not eligible for HMP. Even if the 5% disregard is considered, Petitioner's household income exceeds the HMP elevated annual threshold of [REDACTED]. Therefore, the Department properly concluded that Petitioner was not eligible for HMP based on the 2024 FPL.

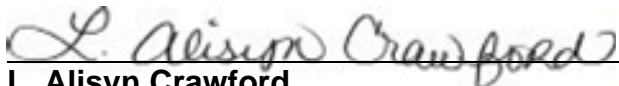
PF-MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage (not emergency services only (ESO)) residing in Michigan whose fiscal group's net income does not exceed 195% of the federal poverty level (FPL) and meets the other eligibility criteria. BEM 124 (July 2023), p. 1. 195% of the annual FPL for 2024, for a household with two members is \$39,858. See <https://aspe.hhs.gov/poverty-guidelines>. Because Petitioner's annual income of [REDACTED] is below the PFFP income limit, the Department properly determined that Petitioner was income-eligible for coverage under PFFP.

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 that Petitioner was no longer income eligible for HMP based on the 2024 FPL and only met the eligibility standards for PFFP.

### **DECISION AND ORDER**

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

LC/ml

  
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**L. Alisyn Crawford**  
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:**

**Counsel for Respondent**

Heather L. Sneden  
Michigan Department of Attorney General, Health,  
Education & Family Services Division  
P.O. Box 30758  
Lansing, MI 48909  
**AG-HEFS-MAHS@michigan.gov**

**DHHS**

Susan Noel  
Wayne-Inkster-DHHS  
26355 Michigan Ave  
Inkster, MI 48141  
**MDHHS-Wayne-19-Hearings@michigan.gov**

**Interested Parties**

BSC4  
M Schaefer  
EQAD  
MOAHR

**Via Electronic and First Class  
Mail:**

**Counsel for Petitioner**

Jeahad Kadaf  
Jeahad Kadaf  
22174 Michigan Ave  
Dearborn, MI 48124  
**jkadaf@kadaflaw.com**

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
[REDACTED], MI [REDACTED]