



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN DPA  
DIRECTOR

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Date Mailed: May 16, 2024  
MOAHR Docket No.: 24-002887  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Alice C. Elkin**

**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 appeared and was self-represented. The Department of Health and Human Services (Department) was represented by Dina Grifo, Eligibility Specialist. The hearing was held before Administrative Law Judge (ALJ) Amanda Marler. Because ALJ Marler is unavailable, the undersigned reviewed the record and issued this Hearing Decision in her absence. Mich Admin Code, R 792.10106(7).

**ISSUE**

Did the Department properly determine Petitioner's Medical Assistance (MA) Program 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. On January 20, 2024, the Department received Petitioner's application for MA benefits indicating that she was the only member of her household, that she had a disability, and that she was employed with ██████████ averaging 30 hours per week at \$████████ per hour paid twice per month.
2. At a subsequent interview, Petitioner clarified that she is not disabled.
3. Petitioner is ██████ years old, a tax filer, and claims no dependents. (Exhibit A, pp. 7-8)
4. On February 26, 2024, the Department received an Employment Verification form as well as paystubs which were updated periodically as received by the Department.

5. The verification of employment form and paystubs showed the following wages:

March 3, 2023	██████████	8.55 hours
October 5, 2023	\$ ██████████	54.85 hours
October 20, 2023	\$ ██████████	60.01 hours
November 3, 2023	\$ ██████████	75.27 hours
November 20, 2023	\$ ██████████	84.28 hours
December 5, 2023	\$ ██████████	63.01 hours
December 20, 2023	\$ ██████████	71.17 hours
January 5, 2024	\$ ██████████	63.24 hours
January 19, 2024	\$ ██████████	73.24 hours

6. On March 5, 2024, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner advising her that effective November 2023, she was eligible for the limited coverage Plan First Family Planning (PFFP) MA category.
7. On March 6, 2024, the Department issued a second HCCDN to Petitioner advising her that for October 2023 only, she was eligible for full coverage MA.
8. On March 11, 2024, the Department received Petitioner's request for hearing disputing the Department's determination of MA eligibility.

### **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, MDHHS concluded that Petitioner was eligible for MA coverage under the PFFP program for November 2023 ongoing. 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 Medicaid (PF-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, 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 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 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 filed taxes and claimed no dependents. Therefore, for HMP purposes, Petitioner has a household size of one. BEM 211 (October 2021), pp. 1-2. 133% of the annual FPL in was \$19,391.40 in 2023 and \$20,029.80 in 2024 for a household with one member. See <https://www.federalregister.gov/documents/2023/01/19/2023-00885/annual-update-of-the-hhs-poverty-guidelines> and <https://www.federalregister.gov/documents/2024/01/17/2024-00796/annual-update-of-the-hhs-poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$19,391.40, or \$1,615.95 monthly, in 2023 and \$20,029.80, or \$1,669.15 monthly, in 2024. A 5% disregard, which may be applied to make someone MA eligible, raises the applicable monthly FPL limit to \$1,696.74 in 2023 and \$1,752.60 in 2024.

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 (April 2022), pp. 3-4. 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 line 11 of IRS tax forms 1040, 1040-SR, and 1040-NR. 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. See <https://www.healthcare.gov/income-and-household-information/how-to-report/> MDHHS considers *currently* 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 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, MDHHS concluded that Petitioner was eligible for full-coverage MA under HMP for October 2023 and limited coverage PFFP MA for November 2023 ongoing. MDHHS based its decision on Petitioner's gross income as follows:

October 5, 2023	\$ [REDACTED]	54.85 hours
October 20, 2023	\$ [REDACTED]	60.01 hours
November 3, 2023	\$ [REDACTED]	75.27 hours
November 20, 2023	\$ [REDACTED]	84.28 hours
December 5, 2023	\$ [REDACTED]	63.01 hours
December 20, 2023	\$ [REDACTED]	71.17 hours
January 5, 2024	\$ [REDACTED]	63.24 hours
January 19, 2024	\$ [REDACTED]	73.24 hours

A review of the paystubs shows that Petitioner's gross biweekly income is her MAGI-based income. Based on this income, Petitioner has monthly income totaling \$ [REDACTED] for November 2023; \$ [REDACTED] for December 2023; and \$ [REDACTED] for January 2024. Because Petitioner's income exceeded the applicable monthly income limit for HMP for each of these months, even when the 5% disregard is applied to increase the limit, MDHHS properly concluded that Petitioner was not income eligible for HMP. Although Petitioner pointed out that her income fluctuates, MDHHS considers current monthly income in determining eligibility. Petitioner is advised to report income decreases to MDHHS.

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 Petitioner's MA eligibility.

**DECISION AND ORDER**

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

ACE/cc



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**Alice C. Elkin**  
Supervising 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 :**

**Interested Parties**

MDHHS-Oakland-DistrictII-Hearings  
BSC4-HearingDecisions  
EQADHearings  
M. Schaefer  
MOAHR

**Via-First Class Mail :**

**Petitioner**

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