



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR

[REDACTED], MI

Date Mailed: August 28, 2024  
MOAHR Docket No.: 24-006434  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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 August 8, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented himself. The Department of Health and Human Services (Department) was represented by Lori Turner, Eligibility Specialist. Maher Elia served as Arabic interpreter.

### **ISSUE**

Did the Department properly determine that Petitioner and his wife were ineligible for Medical Assistance (MA) 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. Petitioner and his wife were ongoing recipients of MA benefits under the Healthy Michigan Plan (HMP).
2. In connection with a New Hire Report, Petitioner and his wife's eligibility to receive MA benefits was reviewed, as there was new income in the household.
3. On or around May 16, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice), advising him that effective June 1, 2024, Petitioner and his wife were ineligible for MA benefits because the household's countable income exceeded the income limit. (Exhibit A, pp. 7-11)
4. On or around May 28, 2024, Petitioner requested a hearing disputing the Department's actions with respect to the MA program. (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.

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 (July 2021), 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.

In this case, Petitioner requested a hearing to dispute the Department's actions regarding the MA program, specifically, the determination that the household had excess income and was no longer eligible for MA under the full coverage HMP category. At the hearing, the Department representative testified that Petitioner's eligibility to receive MA benefits under the HMP was reviewed in May 2024, as a New Hire report was received, indicating that the household had new earnings. The Department representative testified that after processing the New Hire and including the household's new income, the Department determined that Petitioner and his wife were no longer eligible for HMP or a full coverage MA program.

Because Petitioner and his wife are under age 65, do not qualify for Medicare, and are not the parents of any minor children, they are potentially eligible for full coverage MA under the 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.

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 and dependents. Family size means the number of persons counted as members of an individual's household. 42 CFR 435.603(b). The Department representative testified that at the time the eligibility determination was made, Petitioner's tax filing group was two people, which included himself and his wife. While Petitioner testified that he files taxes jointly with his wife and claims his 21-year-old daughter as a tax dependent, this information was not reported to the Department until August 5, 2024. Therefore, based on the information available to the Department at the time the review was completed, for HMP purposes, Petitioner and his wife had a household size of two. The FPL for a group size of two in 2024 is \$20,440. 133% of the annual FPL in 2024, for a household with two members is \$27,185.20. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$27,185.20, and thus, the monthly income cannot exceed \$2,265.43, as they were current beneficiaries. Additionally, Department policy provides that if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2; BEM 500 (April 2022), pp. 3-5. With the 5% disregard applied, the household income limit is \$28,207.20, or \$2,350.60, monthly.

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), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. *Id.* 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. 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/>. When determining financial eligibility of current beneficiaries of MAGI-related MA, the State of Michigan has elected to base eligibility on current monthly income and family size. Additionally, the Department is to consider reasonably predictable changes in income. For individuals who are seasonal workers who know that they will only work for some portion of the year, the Department will consider the reasonably predictable future income decrease within the upcoming 12 months. The seasonal income reported will be averaged to arrive at a monthly amount, which is then added to any other non-fluctuating income. 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).

In this case, the Department representative testified that the household MAGI was calculated using income obtained from the Work Number, verifying Petitioner's weekly earnings from Detroit Quality Staffing, as well as prior pay stubs on file from Petitioner's wife's employment with Crown Staffing Solutions. The Department representative

testified that according to the Work Number, Petitioner was paid [REDACTED] on April 5, 2024, [REDACTED] on April 12, 2024, [REDACTED] on April 19, 2024, and [REDACTED] on April 26, 2024. Petitioner did not dispute that the income amounts identified and relied upon by the Department were accurate at the time of the review. With respect to income for Petitioner's wife, the Department representative considered check stubs previously submitted which reflected [REDACTED] paid on January 5, 2024, [REDACTED] paid on January 12, 2024, [REDACTED] paid on January 19, 2024, [REDACTED] paid on January 26, 2024, and [REDACTED] paid on February 2, 2024. There was no evidence that Petitioner's wife was no longer employed or that her employment was seasonal as, although likely not considered by the Department in connection with the current case closure, the Department identified additional pay stubs for Petitioner's wife showing that she was paid [REDACTED] on May 3, 2024, [REDACTED] on May 10, 2024, [REDACTED] on May 17, 2024, [REDACTED] on May 24, 2024, and [REDACTED] on May 31, 2024.

At the hearing, Petitioner testified that he was employed temporarily for a short-term contract of only 2 to 3 months at a security company and was laid off at the end of May 2024. Petitioner confirmed that during the period of his employment, he was receiving around [REDACTED] weekly. Petitioner also confirmed that his wife earns around [REDACTED] monthly. Because there was no evidence that at the time the Department received the New Hire report that Petitioner's employment was temporary, the Department properly relied on the income information obtained from the Work Number. Petitioner was informed that should he submit verification of loss of employment and a new application, a more current MA eligibility determination would be made.


Based on the information available to the Department at the time the review was completed, in consideration of the combined monthly employment income for Petitioner and his wife identified above, the household's MAGI is greater than the \$2,350.60 income limit for a household size of two. Therefore, the Department properly concluded that Petitioner and his wife were not eligible for MA benefits under the full coverage HMP.

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 closed Petitioner's MA case effective June 1, 2024.

### **DECISION AND ORDER**

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

ZB/ml

  
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**Zainab A. Baydoun**  
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**

Tara Roland 82-17

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**Interested Parties**

BSC4

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EQAD

MOAHR

**Via First Class Mail:**

**Petitioner**

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[REDACTED] MI [REDACTED]