



GRETCHEN WHITMER  
GOVERNOR

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

MARLON BROWN  
DIRECTOR



Date Mailed: September 24, 2024  
MOAHR Docket No.: 24-007360  
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 September 9, 2024. Petitioner and her husband, [REDACTED] were present at the hearing and represented by themselves. Abdul Chowdhury, Bengali interpreter, was present at the hearing and provided translation services. The Department of Health and Human Services (Department) was represented by Tanya Gillard, Supervisor.

**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 had received MA coverage under the Healthy Michigan Plan (HMP). (Exhibit A, p. 33).
2. Petitioner is married and files taxes jointly with her husband (Husband). Petitioner claimed her [REDACTED] year-old daughter as a tax dependent for the 2023 tax year. (Exhibit A, p. 25).
3. Petitioner is [REDACTED] years old and unemployed. Husband is [REDACTED] years old and receives earned and unearned income. Husband receives Retirement, Survivors, and Disability Insurance (RSDI) income of [REDACTED] per month. Husband is employed at [REDACTED] (Employer) working 20-30 hours per week at [REDACTED] per hour. (Exhibit A, pp. 6-22).

4. On April 10, 2024, the Department received a completed MA assistance application from Petitioner. (Exhibit A, pp. 23-29).
5. On May 8, 2024, the Department sent a Health Care Coverage Determination Notice (HCDDN) to Petitioner approving Petitioner for Plan First Family Planning (PFFP) effective April 1, 2024. (Exhibit A, pp. 38-41).
6. On June 25, 2024, the Department received a request for hearing from Petitioner, disputing the Department's 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, the Department concluded that Petitioner was eligible for MA coverage under the PFFP program. Petitioner disputes this coverage. Although she also marked cash assistance in her hearing request form, the Petitioner confirmed that her dispute concerned MA coverage only. The hearing proceeded to address Petitioner's MA case.

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 (PFFP) 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 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, it is unclear whether the Department considered Petitioner's eligibility for HMP. While Husband's circumstances would make him ineligible for HMP coverage, this is not the case for Petitioner. Since she is not age 65 or older, blind or disabled, the Department should have determined whether she was eligible for HMP coverage.

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 jointly with Husband and claimed one tax dependent. Therefore, for HMP purposes, Petitioner has a household size of three. BEM 211 (October 2023), pp. 1-2. 133% of the annual FPL in 2024 (the most current applicable FPL) for a household with three members is \$34,340.60. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed \$34,340.60 annually, or \$2,861 monthly. The limit is increased by 5% of the FPL for the applicable group size for individuals who would be eligible for MAGI-based MA with such an increased limit. 42 CFR 435.603(d)(4).

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 2021), 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, 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 *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 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).

Household income is the sum of the MAGI-based income of every individual included in the individual's group except for dependents who are not expected to file a tax return. 42

CFR 435.603(d)(1) and (2). There was no evidence that Petitioner's daughter, who is her tax dependent, had any income and would be required to file taxes. Husband receives [REDACTED] in monthly RSDI benefits. Based on information provided from a Work Number report and submitted paystubs from Petitioner, the Department testified that it projected Husband's earned income as [REDACTED] per month. Although Husband testified that his work hours had decreased to 20 hours per week as of July 2024 and Petitioner also reported Husband's change in employment hours on the April 10, 2024 assistance application, even when utilizing the higher income figures provided by the Department, Husband's earned and unearned income together equaled [REDACTED] per month, and this amount does not exceed the income limit for HMP for a household fiscal group size of three. Therefore, the Department did not meet its burden of showing that it acted in accordance with Department policy when it determined that Petitioner was eligible for PFFP only.

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 that Petitioner was eligible for MA coverage under PFFP only.

### **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. Reprocess Petitioner's April 10, 2024 MA assistance application;
2. Provide Petitioner with the most beneficial coverage she is eligible to receive from the date of eligibility; and
3. Notify Petitioner of its decision in writing.

LC/ml

  
**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:**

**DHHS**

Caryn Jackson

Wayne-Hamtramck-DHHS

12140 Joseph Campau

Hamtramck, MI 48212

**MDHHS-Wayne-55-Hearings@michigan.gov**

**Interested Parties**

BSC4

M Schaefer

EQAD

MOAHR

**Via First Class Mail:**

**Petitioner**

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