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GOVERNOR

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

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Date Mailed: September 10, 2024  
MOAHR Docket No.: 24-008402  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Christian Gardocki**

**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 hearing was held via telephone conference on August 29, 2024. Petitioner did not participate and was represented. ██████████, Petitioner’s spouse (hereinafter, “Spouse”), participated as Petitioner’s authorized hearing representative (AHR). The Michigan Department of Health and Human Services (MDHHS) was represented by Lori Turner, specialist.

**ISSUE**

The issue is whether MDHHS properly determined 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. As of ██████ 2024, Petitioner resided in a household with Spouse and their two children: ██████████ and ██████████ aged ██████ and ██████ years.
2. As of May 2024, Petitioner was employed, not disabled, aged 19-65 years, not a caretaker to minor children, and not pregnant.
3. As of May 2024, Petitioner and Spouse were married tax filers with no child tax dependents.

4. On an unspecified date and in response to a request for proof of Petitioner's ongoing income, MDHHS received Petitioner's tax forms verifying 2023 wages for Petitioner of \$ [REDACTED]
5. On June 17, 2024, MDHHS determined that Petitioner and Spouse were eligible for the limited coverage of Plan First beginning May 2024 and July 2024, respectively.
6. On June 20, 2024, Spouse disputed the termination of MA benefits for all four members of his household.
7. As of August 29, 2024, Spouse and his two children received ongoing MA benefits.

### **CONCLUSIONS OF LAW**

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Spouse requested a hearing, in part, to dispute MA eligibility for himself and his two adult children. Exhibit A, pp. 3-4. During the hearing, MDHHS sent documents verifying that Spouse and one of Spouse's children received ongoing MA benefits. Exhibit B, pp. 1-3. After the hearing, a check of Petitioner's case revealed that Petitioner's second child also received ongoing MA benefits. Based on the favorable resolution of Spouse's dispute over MA for himself and his two children, that portion of the hearing request will be dismissed.

Spouse also requested a hearing to dispute MA benefits for Petitioner. Exhibit A, pp. 3-4. A Health Care Coverage Determination Notice dated June 17, 2024, stated that Petitioner was eligible for the limited coverage of Plan First beginning May 2024.<sup>1</sup> Exhibit A, pp. 8-10.

Medicaid is also known as MA. BEM 105 (October 2023) p. 1. The MA program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster

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<sup>1</sup> Plan First is a MAGI-related limited-coverage MA category available to any United States citizen or individual with a qualified immigration status. BEM 124 (July 2023) p. 1. Plan First is a "limited-coverage" category because it only covers family planning services such as birth control (see form DCH-2840-MSA). Also, the notice also stated that Spouse was eligible for Plan First beginning July 2024; however, as indicated above, MDHHS later changed this determination so that Spouse was eligible for MA benefits.

children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.<sup>2</sup> *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

Spouse testified that Petitioner was employed, aged 19-65 years, not a caretaker to minor children, and not pregnant. Spouse testified that Petitioner had [REDACTED] however, there was no evidence that Petitioner was disabled as defined by MDHHS policy (see BEM 260). As a non-disabled person aged 19-65 years, Petitioner is potentially eligible only for the MA category of HMP. MDHHS testified that Petitioner was ineligible for HMP due to excess income. Eligibility factors for HMP are found in BEM 137 and federal regulations.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code.<sup>3</sup> 42 CFR 435.603(e). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603(h). MDHHS has chosen to determine HMP eligibility based on current monthly income.<sup>4</sup>

Modified adjusted gross income can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.<sup>5</sup> Common deductions and disregards which should be factored in determining a person's adjusted gross income include alimony payments, unreimbursed business expenses, Health Savings Account (e.g., 401k) payments, and student loan interest.<sup>6</sup>

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (October 2023) p. 1. The household for a tax filer, who is not claimed as a tax dependent, consists of: the tax filer, the tax filer's spouse, and tax dependents. *Id.*, p. 2. Spouse acknowledged that his children are not claimed as tax dependents. As a married individual with no tax dependents, Petitioner's MAGI-related MA group size is two.

It was not disputed that Petitioner received ongoing wages. MDHHS testified it determined Petitioner's MA eligibility based on Petitioner's 2023 wages. Tax return documents from 2023 listed MAGI for Petitioner of \$37,376. Exhibit A, pp. 11-14. Spouse

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<sup>2</sup> Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

<sup>3</sup> Income exceptions are made for lump-sums which are counted as income only in the month received; scholarships, awards, or fellowship grants used for education purposes and not for living expenses; and various exceptions for American Indians and Alaska natives. No known exceptions are applicable to the present case.

<sup>4</sup> [https://www.michigan.gov/documents/mdhhs/SPA\\_17-0100\\_Approved\\_638230\\_7.pdf](https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf)

<sup>5</sup> <https://www.investopedia.com/terms/a/agi.asp>

<sup>6</sup> *Id.*

did not dispute the amount of income as unrepresentative of Petitioner's ongoing wages. Dividing the income by 12 results in an average monthly income of \$ [REDACTED] (dropping cents).

Spouse testified that Petitioner was diagnosed [REDACTED] and will require ongoing Medicaid to continue working. Spouse also testified that his children are in college, and he and Petitioner may not be able to assist their children with food or vehicle expenses unless Petitioner receives Medicaid. Spouse's testimony was sincere but ultimately not relevant to determining Petitioner's income eligibility for Medicaid.

HMP income limits are based on 133% of the federal poverty level (FPL). RFT 246 (April 2014) p. 1. Also, MDHHS applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (July 2017) p. 5. Thus, HMP income limits are functionally 138% of the FPL. The 2024 FPL for a 2-person group residing in Michigan is \$20,440.<sup>7</sup> Multiplying the FPL by 1.38 results in an income limit of \$28,207.20. Petitioner's benefit group's MAGI (\$37,376) exceeded the HMP income limit. Presumably, Petitioner's group's income is within the income guidelines to receive the limited coverage MA category of Plan First.<sup>8</sup> Given the evidence, MDHHS properly determined Petitioner to be eligible for Plan First beginning May 2024.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS favorably resolved Petitioner's dispute over a termination of MA benefits for Spouse and his two children. Concerning the MA benefits for Spouse and his two children, the hearing request is **DISMISSED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for Plan First beginning May 2024. The actions of MDHHS are **AFFIRMED**.

CG/pt

  
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**Christian Gardocki**  
Administrative Law Judge

<sup>7</sup> <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

<sup>8</sup> The Plan First income limit is 195% of the FPL. BEM 124 (July 2023) p. 2.

**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**  
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**Interested Parties**  
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M. Schaefer  
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**Via-First Class Mail :**

**Authorized Hearing Rep.**

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**Petitioner**

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