



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

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Date Mailed: November 22, 2024  
MOAHR Docket No.: 24-011135  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

**HEARING DECISION**

On September 25, 2024, Petitioner, ██████████, requested a hearing to dispute a denial of full-coverage Medical Assistance (MA) through the Healthy Michigan Plan (HMP). As a result, a hearing was scheduled to be held on November 20, 2024, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; and Mich Admin Code, R 792.11002. Petitioner appeared and represented herself. Respondent, Department of Health and Human Services (Department), had Lianne Scupholm, Hearing Facilitator, appear as its representative.

A 23-page packet of documents provided by the Department was admitted collectively as the Department’s Exhibit A.

**ISSUE**

Did the Department properly deny Petitioner full-coverage MA through the HMP?

**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 received full-coverage MA through the HMP.
2. On ██████████ 2024, Petitioner submitted a completed redetermination form.
3. Petitioner reported on the redetermination form that her household includes herself, her ██████████ son whose date of birth is ██████████, ██████████, and her ██████████ daughter whose date of birth is ██████████, ██████████.
4. At the time of the ██████████ 2024, redetermination, Petitioner reported on a redetermination form that she is the primary tax filer, and she claims her daughter as a dependent.

5. Petitioner submitted check stubs for her employment for \$ [REDACTED] dated [REDACTED] 16, 2024, and for \$ [REDACTED] dated [REDACTED], 2024.
6. Petitioner also submitted check stubs for her daughter's employment for \$ [REDACTED] dated [REDACTED], 2024, and \$ [REDACTED] dated [REDACTED] 2024.
7. The Department determined that Petitioner's annual household income exceeded the limit to be eligible for full-coverage MA through the HMP.
8. On September 18, 2024, the Department mailed a health care coverage determination notice to Petitioner to notify Petitioner that Petitioner was ineligible for MA through the HMP effective October 1, 2024.
9. On September 25, 2024, Petitioner requested a hearing to dispute the Department's determination.

### **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 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

At the hearing, Petitioner indicated that she disputes the Department's denial of full-coverage MA through the HMP for herself. In her request for hearing, Petitioner stated that she has three people in her household, not two, and her son attends college.

Health care coverage for adults is available through various programs, including the Healthy Michigan Plan. In order for an individual to be eligible for MA through the Healthy Michigan Plan, the individual must be age 19 to 64, and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (June 1, 2020), p. 1.

The household size is determined based on tax filer and tax dependent rules. BEM 211 (July 1, 2019), p. 1. For tax filers, the household size includes the tax filer, the tax filer's spouse, and all dependents claimed. *Id.* at 1-2. Here, the Department properly determined that Petitioner's household size was 2 because Petitioner reported that she is the primary tax filer and claims her daughter as a dependent.

The FPL for a household size of 2 in 2024 is \$20,439.96. 88 FR 3424 (January 19, 2023). The Department also applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. Thus, HMP income limits are functionally 138% of the FPL. The 5% disregard is the amount equal to 5% of the FPL, not a flat 5% disregard of income. BEM 500, p.5. See also: Modified Adjusted Gross Income Related Eligibility Manual (May 2014), p. 15, available at: [https://www.michigan.gov/documents/mdch/MAGI\\_Manual\\_457706\\_7.pdf](https://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf).

Effective January 17, 2024, 100% of FPL was \$20,440.00 annually for a two-person household residing in the contiguous 48 states. For Petitioner to be eligible for HMP MA in 2024, the household net income would have to be at or below \$28,207.20 per year or \$2,350.60 per month, which represents 138% of FPL.

Income eligibility is based on modified adjusted gross income (MAGI) for HMP purposes. BEM 137, p. 1 and 7 CFR 435.603. MAGI is defined as adjusted gross income increased by (1) excluded foreign income, (2) tax exempt interest, and (3) the amount of social security benefits excluded from gross income. 26 USC 36B(d)(2)(B). Adjusted gross income is that which is commonly used for Federal income taxes, and it is defined as gross income minus deductions for business expenses, losses on the sale or exchange of property, retirement contributions, and others. 26 USC 62.

The Department begins its income determination by examining a client's self-reported income. BEM 500 at 5. If the client's self-reported income is over the income limit, then the client is ineligible. *Id.* If the client's self-reported income is below the income limit, the Department compares the client's self-reported income to income obtained from trusted sources to determine if the two are compatible. *Id.* Income is compatible if the difference between the two is 10% or less. *Id.* If the two are compatible, then the Department uses the client's self-reported income. *Id.* If the two are not compatible and the income obtained from trusted sources is over the income limit, then the Department requires the client to provide proof of the self-reported income. *Id.* at p. 5-6.

Based on the evidence presented, Petitioner received gross pay of \$1,114.87 (\$687.16 + \$427.71) over the 2 most recent biweekly pay periods before Petitioner's redetermination. This equals an average biweekly pay of \$557.44 (\$1,114.87/2). The biweekly pay is multiplied by 2.15 to calculate a standard monthly amount of \$1,198.49 (\$557.44 x 2.15). Thus, Petitioner's countable gross income was \$1,198.49 per month.

The evidence also showed that Petitioner's daughter received gross pay of \$ [REDACTED] (\$ [REDACTED] + \$ [REDACTED]) over the 2 most recent biweekly pay periods before Petitioner's redetermination. This equals an average biweekly pay of \$603.38 (\$1,206.76/2). The biweekly pay is multiplied by 2.15 to calculate a standard monthly amount of \$1,297.27 (\$603.38 x 2.15). Thus, Petitioner's daughter's countable gross income was \$1,297.27 per month.

Therefore, Petitioner's monthly income is \$ [REDACTED] (\$ [REDACTED] + \$ [REDACTED]). Petitioner's annual income is \$ [REDACTED] (\$ [REDACTED] x 12). Because Petitioner's annual

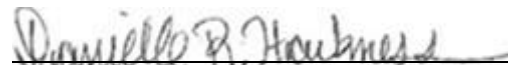
income exceeds the annual income limit of \$28,207.20, the Department properly denied Petitioner full-coverage MA through the HMP based on the information Petitioner provided at the time of the August 6, 2024, redetermination.

**DECISION AND ORDER**

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 its policies and the applicable law when it denied Petitioner full-coverage MA through the HMP.

IT IS ORDERED the Department's decision is **AFFIRMED**.

DH/pt



**Danielle R. Harkness**  
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**

Kristina Etheridge  
Calhoun County DHHS  
190 East Michigan  
Battle Creek, MI 49016

**MDHHS-Calhoun-Hearings@michigan.gov**

**Interested Parties**

BSC3

M. Schaefer

EQAD

MOAHR

**Via-First Class Mail:**

**Petitioner**

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