



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
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██████████, MI ██████████

Date Mailed: December 27, 2024  
MOAHR Docket No.: 24-012074  
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 telephone hearing was held via Microsoft Teams on November 27, 2024. Petitioner participated and was unrepresented. ██████████ ██████████ Petitioner’s daughter, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Jamila Goods, specialist. Lakhdar Semmacha of Linguistica International participated as an English-Arabic translator

**ISSUE**

The first issue is whether MDHHS properly terminated Medical Assistance (MA) eligibility for Petitioner and family members.

**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 July 2024, Petitioner, and Petitioner’s spouse, ██████████ (hereinafter, “Spouse”), resided in a household with their three children: ██████████ (hereinafter, “Child1”), ██████████ (hereinafter, “Child2”), and ██████████ (hereinafter, “Child3”).
2. As of July 2024, Petitioner, Spouse, Child1, and Child2 were Medicaid recipients who were 21-65 years old, not disabled, and not pregnant.
3. As of July 2024, Child3 was a Medicaid recipient aged under 21 years, not disabled, and not pregnant.

4. As of July 2024, Child1, Child2, and Child3 were tax dependents to Petitioner and Spouse.
5. As of July 2024, Petitioner received \$600 from monthly rental income.
6. On July 17, 2024, MDHHS terminated MA eligibility for Petitioner, Spouse, Child1, and Child2 beginning August 2024 due to excess income for Health Michigan Plan (HMP).
7. On July 19, 2024, and August 2, 2024, Spouse received \$808 in gross biweekly wages.
8. On August 23, 2024, Child1 received \$[REDACTED] in gross biweekly wages.
9. On October 21, 2024, Petitioner requested a hearing to dispute the termination of 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).

Petitioner requested a hearing to dispute MA eligibility for himself, Spouse, Child1, and Child2.<sup>1</sup> Exhibit A, pp. 3-5. A Health Care Coverage Determination Notice dated July 17, 2024, stated that the four individuals were eligible only for the limited-coverage MA category of Plan First beginning August 2024.<sup>2</sup> Exhibit A, pp. 6-9.

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

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<sup>1</sup> A hearing disputing Medicaid for Child3 may have been intended but also unnecessary; the evidence supported that Child3 was eligible for MA under HMP beginning August 2024.

<sup>2</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 coverage is a "limited-coverage" because it only covers family planning services such as birth control (see form DCH-2840-MSA).

women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.<sup>3</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.*

The evidence established that Petitioner, Spouse, Child1, and Child2 were each aged 21-65 years, not disabled, not pregnant, and not caretakers to minor children.<sup>4</sup> As non-disabled persons aged 19-65 years, Petitioner, Spouse, Child1, and Child2 are potentially eligible only for the MA category of HMP. MDHHS testified that each 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>5</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>6</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>7</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>8</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

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<sup>3</sup> Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

<sup>4</sup> Petitioner presented medical documents listing past diagnoses for Petitioner and Spouse with the intent to show a need for Medicaid. Exhibit 1, pp. 1-5. Petitioner's and Spouse's need for Medicaid is irrelevant. Whether each is disabled may be relevant; however, disability requires certification by an agency (e.g.- Social Security Administration) that a party is disabled (see BEM 260). There was no evidence that any agency certified Petitioner or Spouse as being disabled.

<sup>5</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>6</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>7</sup> <https://www.investopedia.com/terms/a/agi.asp>

<sup>8</sup> *Id.*

a tax dependent, consists of: the tax filer, the tax filer's spouse, and tax dependents. *Id.*, p. 2. It was not disputed that Petitioner and Spouse were tax filers and that Child1, Child2, and Child3 were each tax dependents. Under the circumstances, the benefit group size is five persons.

MDHHS received pay documents dated July 19, 2024, and August 2, 2024 that Spouse received gross biweekly wages of \$808. Exhibit A, p. 13. Multiplying the biweekly wage of \$808 by 26 results in an annual wage of \$[REDACTED]. The slightly lower annual income of \$[REDACTED] calculated by MDHHS will be accepted as the income as it is slightly more favorable for Petitioner.

MDHHS also received a wage document for Child1 listing gross biweekly income of \$1,427.01. Exhibit A, p. 14. Multiplying the biweekly wage by 26 results in an annual wage of \$[REDACTED]. The slightly lower annual income of \$36,816 calculated by MDHHS will be accepted as the income as it is slightly more favorable for Petitioner.

Petitioner also received \$600 in gross monthly rental income. Exhibit A, p. 15. Multiplying the annual income 12 results in an annual income of \$7,200.

Adding Spouse's annual income of \$[REDACTED], Child1's income of \$[REDACTED] and rental income of \$7,200 results in a total annual income of \$[REDACTED]. Dividing the amount by 12 results in a monthly income of \$[REDACTED].

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 5-person group residing in Michigan is \$36,580.<sup>11</sup> Multiplying the FPL by 1.38 results in an income limit of \$50,480.40 (\$4,206.70 per month). Petitioner's benefit group's MAGI exceeded the HMP income limit. Given the evidence, MDHHS properly terminated the MA eligibility for Petitioner, Spouse, Child1, and Child2.

As it happened, Petitioner reapplied for MA benefits on [REDACTED] 2024. MDHHS testified it did not process Petitioner's MA application because the application reported no changes. MDHHS's testimony then acknowledged that Petitioner's application reported a reduction to Child1's employment hours and income. Consideration was given to ordering MDHHS to process Petitioner's application and reported change; however, two reasons justify otherwise. First, Petitioner's written hearing request failed

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<sup>9</sup> Petitioner testified that Child1's income decreased after August 2024. The alleged decrease in income would not alter the above analysis because it was not established that Petitioner reported a decrease when MA eligibility was determined.

<sup>10</sup> Presumably, MDHHS determined Medicaid eligibility based on income documents submitted before written notice was sent on July 17, 2024. Though the wage documents presented in the present case were dated after written notice was sent, Petitioner did not allege that earlier submitted income documents were more accurate reflections of income than presented documents.

<sup>11</sup> <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

to raise any dispute about MDHHS failing to process the application or reported change. Secondly, as of the hearing request date of October 21, 2024, there was no known violation of MDHHS policies.<sup>12</sup> If Petitioner wishes to dispute an MDHHS failure to process a reported change in income and/or the application dated [REDACTED] 2024, Petitioner can always request another hearing.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated MA benefits August 2024 for Petitioner, Spouse, Child1, and Child2. The actions of MDHHS are **AFFIRMED**.

CG/nr



**Christian Gardocki**

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

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<sup>12</sup> MDHHS has 45 days to process applications requesting MA benefits (see BAM 115). As of October 21, 2024. Less than 45 days had passed since Petitioner applied.

**Via-Electronic Mail :**

**DHHS**

Susan Noel  
Wayne-Inkster-DHHS  
26355 Michigan Ave  
Inkster, MI 48141

**MDHHS-Wayne-19-Hearings@michigan.gov**

**Interested Parties**

BSC4  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail :**

**Petitioner**

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