



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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██████████, MI ██████████

Date Mailed: January 24, 2025
MOAHR Docket No.: 24-013271
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on January 16, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by LuTrina Webster, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medicaid (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. On ██████████ ██████████ 2024, the Department received an application for MA from Petitioner. Petitioner reported \$██████████ per month in earned income. (Exhibit A, pp. 8 – 12).
2. Petitioner is ██████████ years old, not married, employed as a home help worker, has no dependent children, and intends to file a 2024 income tax return.
3. In October 2024, Petitioner had \$██████████ in gross monthly earnings, and in November 2024, Petitioner had \$██████████ in gross monthly earnings. (Exhibit A, pp. 16 – 17).

4. On October 18, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner for Plan First Family Planning (PFFP) effective October 1, 2024 ongoing. (Exhibit A, pp. 13 – 14).
5. On November 20, 2024, the Department received a request for hearing from Petitioner disputing the Department's determination of her MA eligibility. (Exhibit A, pp. 4 – 6).

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.

Petitioner requested a hearing to dispute the Department's determination of her MA eligibility. The Department approved Petitioner for PFFP effective October 1, 2024 ongoing.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

In this case, the evidence established that Petitioner is ■ years old, not married, has no dependent children, and has earned income only. There was no evidence that Petitioner was blind, disabled, or pregnant. Therefore, Petitioner is potentially eligible for under full-coverage HMP and/or PFFP MA coverage only.

HMP and PFFP are Modified Adjusted Gross Income (MAGI)-related MA programs, with HMP providing full coverage and PFFP providing limited coverage. Because HMP offers full MA coverage, it is a more beneficial coverage for Petitioner than PFFP.

To qualify for health care coverage under HMP, the individual must:

- be 19 – 64 years of age,
- not qualify for or be enrolled in Medicare,
- not qualify for or be enrolled in other Medicaid programs,
- not be pregnant at the time of application,
- meet Michigan residency requirements,
- meet Medicaid citizenship requirements, and
- have income at or below 133 percent Federal Poverty Level (FPL).

BEM 137, p. 1.

While an individual is eligible for HMP if their MAGI-income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size, for PFFP, individuals may have MAGI-income of no more than 195% of the FPL applicable to the individual's group size. BEM 137, p. 1; BEM 124, p. 1. For MAGI-related plans, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible, which increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500 (April 2022), p. 5.

An individual's group size for MAGI purposes requires consideration of the client's tax filing status. Here, Petitioner testified that she intends to file a 2024 income tax return and as discussed previously, she has no spouse or dependents. Therefore, for HMP purposes, Petitioner has a household size of one. BEM 211 (October 2023), pp. 1 – 2. When the additional 5% disregard is added, the monthly income limit for HMP eligibility is \$1,731.90. When the additional 5% disregard is added, the monthly income limit for PFFP eligibility is \$2,510.

To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group. BEM 500, p. 1. To determine financial eligibility for MAGI-related MA, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 3 – 4. MAGI is based on Internal Revenue Service rules and relies on federal tax information from current income sources. BEM 500, pp. 3 – 4; see also 42 CFR 435.603(h)(1),(2).

The Department uses current monthly income, and reasonably predictable changes in income, to calculate a client's MAGI-income. (MAGI-Based Income Methodologies (SPA 17-0100), eff. 11/01/2017, app. 03/13/2018); 42 CFR 435.603(h). MAGI-income is calculated for each income earner in the household by using the "federal taxable wages" reported on earner's paystubs or, if federal taxable wages are not reported on the paystub, by using "gross income" minus amounts deducted by the employer for child care, health coverage, and retirement plans. A client's tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest, if any, from the client's tax

return are added back to the client's adjusted gross income (AGI) to determine MAGI income. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

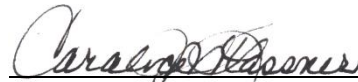
The evidence established, and Petitioner did not dispute, that she earned more than \$1,731.90, but less than \$2,510, per month in October and November 2024, and she testified that she expects her earnings to continue in the current amount. There was no evidence that Petitioner had or has any child care, health coverage, or retirement plan deductions from her income. Thus, Petitioner's countable income exceeds the monthly income limit for HMP, with the 5% disregard, but is less than the monthly income limit for PFFP. Therefore, the Department properly determined Petitioner was ineligible for HMP and eligible for PFFP.

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 approved Petitioner for PFFP MA coverage.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
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

Richard Latimore
Wayne-Conner-DHHS
4733 Conner
Detroit, MI 48215

MDHHS-Wayne-57-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
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Via-First Class Mail :

Petitioner

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