



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

████████████████████
████████████████████
████████████████████, MI ██████████

Date Mailed: January 31, 2025
MOAHR Docket No.: 24-013302
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 28, 2025, from Lansing, Michigan. Petitioner represented himself. The Department was represented by Shannon Murray, Ebony James, and Nicole Forsythe.

ISSUE

Did the Department of Health and Human Services (Department) properly determine Petitioner's eligibility for Medical Assistance (MA) benefits?

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 reported on a Redetermination form that he is the sole member of his household and that he is employed. Exhibit A, pp 11-15.
2. Petitioner reported that he expected to earn gross wages of \$██████ per week. Exhibit A, p 12.
3. On October 28, 2024, the Department notified Petitioner that his eligibility for Medical Assistance (MA) would be limited to the Plan First category effective December 1, 2024. Exhibit A, p 7.
4. On November 26, 2024, the Department received a copy of one weekly paycheck stub showing that he received gross weekly earned income from employment on November 8, 2024, totaling \$████████. This document shows that

he received gross year to date wages totaling \$ [REDACTED] as of that paycheck. Exhibit A, p 16.

5. On November 26, 2024, the Department received Petitioner's request for a hearing protesting the reduction of his Medical Assistance (MA) benefits. Exhibit A, pp 3-6.
6. Petitioner credibly testified that he received weekly paychecks with gross earnings of \$ [REDACTED] \$ [REDACTED] \$ [REDACTED] and \$ [REDACTED] in November of 2024.

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 through 42 USC 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 through 42 CFR 420.25. The Department administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.103 through MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

MAGI for purposes of Medicaid eligibility is a methodology which state agencies and the federally facilitated marketplace (FFM) must use to determine financial eligibility. It is based on Internal Revenue Service (IRS) rules and relies on federal tax information to determine adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. Department of Health and Human Services Bridges Eligibility Manual (BEM) 500 (January 1, 2016).

Modified adjusted gross income (MAGI) is a methodology for how income is counted and how household composition and family size are determined. It is based on federal tax rules for determining adjusted gross income. It eliminates asset tests and special deductions or disregards. Every individual is evaluated for eligibility based on MAGI rules. The MAGI rules are aligned with the income rules that will be applied for determination of eligibility for premium tax credits and cost-sharing reductions through exchanges. The 5% disregard is the amount equal to 5% of the Federal Poverty Level for the applicable family size. It is not a flat 5% disregard from the income. The 5%

disregard shall be applied to the highest income threshold. The 5% disregard shall be applied only if required to make someone eligible for Medicaid.¹

Household income is the sum of the MAGI-based income of every individual included in the individual's household, minus an amount equivalent to 5 percentage points of the Federal poverty level for the applicable family size. 42 CFR 435.603.

The income limit to participate in the Healthy Michigan Plan (HMP) is 133% of the federal poverty level. Department of Health and Human Services Reference Table Manual (RFT) 246 (April 1, 2014), p 1.

The Department initiated a routine review of Petitioner's eligibility for ongoing MA benefits with the receipt of his Redetermination form as a household of one. Petitioner reported that he was employed and that he expected to earn gross wages of \$[REDACTED] per week, or 162% of the federal poverty level. Self-attestation is sufficient verification of income. The one paycheck Petitioner later submitted to the Department showed gross earnings of \$[REDACTED] in that week, or 230% of the federal poverty level. Petitioner's year to date earnings of \$[REDACTED] over a ten month period are the equivalent of 182% of the federal poverty level. Petitioner credibly testified that his gross paychecks in November totaling approximately \$2,124, or 169% of the federal poverty level.

Petitioner has the burden of establishing this eligibility for MA benefits. The hearing record supports a finding that Petitioner's income, or MAGI income, exceeds 133% of the federal poverty level for a household of one in 2024. Petitioner has not established that he is eligible for ongoing MA benefits under the Healthy Michigan Plan based on his income. Petitioner remains eligible for limited coverage under the Plan First category.

Petitioner credibly testified that he expected his ongoing income to be reduced. As Petitioner's circumstances change, his eligibility for MA benefits may change as well, and these changes should be reported to the Department in a timely manner.


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 determined that Petitioner's eligibility for Medical Assistance (MA) benefits is limited to the Plan First category.

¹ Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, pp 14-15. This manual is available on the internet at http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/nr



Kevin Scully
Administrative Law Judge
Michigan Office of Administrative Hearings
and Rules (MOAHR)

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

Jeanenne Broadnax
Wayne-Taylor-DHHS
25637 Ecorse Rd.
Taylor, MI 48180

MDHHS-Wayne-18-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

████████████████████
████████████████████
██████████ MI ██████████