

Date Mailed: February 28, 2025

Docket No.: 25-003623

Case No.:

Petitioner:

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\_\_\_\_\_  
\_\_\_\_\_



### **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; and Mich Admin Code, R 792.11002. After due notice, a hearing was held via telephone conference on February 20, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Jenee Murray, Hearing Facilitator (HF). Kevyn Sawdon, Eligibility Specialist and [REDACTED] was present as an observer.

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-46.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for the Food Assistance Program (FAP) and Medical Assistance (MA)?

### **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 [REDACTED] 2024, Petitioner applied for FAP and MA. Petitioner reported employment income, [REDACTED] hours per week, \$[REDACTED] per hour. (Exhibit A, pp. 8-15)
2. On December 12, 2024, an interview was completed with Petitioner. Petitioner reported working [REDACTED] hours per week and being paid \$[REDACTED] per hour. (Exhibit A, pp. 16-22)

25-003623

3. On December 12, 2024, a Health Care Coverage Determination Notice was issued to Petitioner approving full coverage MA for September 1, 2024 to December 31, 2024 and limited coverage under the Plan First category effective January 1, 2025. (Exhibit A, pp. 29-31)
4. On December 12, 2024, a Verification Checklist was issued to Petitioner requesting verification of income for the FAP eligibility determination with a due date of December 23, 2024. (Exhibit A, pp. 23-25)
5. On December 22, 2024, Petitioner submitted paycheck stubs showing she made \$ [REDACTED] per month. (Exhibit A, pp. 3 and 32-33)
6. On January 7, 2025, a Notice of Case Action was issued to Petitioner approving FAP in the amount of \$7.00 for the period of December 9, 2024 to December 31, 2024 and \$23.00 per month for January 1, 2025 to November 30, 2025. (Exhibit A, pp. 40-46)
7. On January 21, 2025, Petitioner filed a hearing request contesting the Department's determinations. (Exhibit A, pp. 5-6)

### **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).

### **FAP**

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

The Department counts the gross wage from employment income. BEM 501, January 1, 2024, p. 7.

For FAP, a shelter expense is allowed when the FAP group has a shelter expense or contributes to the shelter expense. BEM 554, (October 1, 2024), p. 14.

The heat/utility (h/u) standard covers all heat and utility costs including cooling, except actual utility expenses, for example, installation fees etc. FAP groups that qualify for the h/u standard do not receive any other individual utility standards. FAP groups whose heat is included in their rent may still qualify for the h/u standard. Some additional ways include but are not limited to, receipt of the Home Heating Credit (HHC) or a Low Income Home Energy Assistance Payment (LIHEAP). The amount of either payment must be greater than \$20 in the month of application or in the immediately preceding 12 months prior to the application month. BEM 554, pp. 17-18. FAP groups who pay for cooling (including room air conditioners) are eligible for the h/u standard if, they have the responsibility to pay for non-heat electric. BEM 554 p.18. FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards. Use the individual standard for each utility the FAP group has responsibility to pay, such as the telephone standard. BEM 554 pp. 22-25. A FAP group who is responsible to pay for an internet service (at least the basic service) is eligible for the internet standard. This expense is separate from any of the utility standards. BEM 554, p. 26.

The Department can only consider verified allowable medical expenses of a senior/disabled/veteran (SDV) member of the FAP group. BEM 554, pp. 9-14.

In this case, the FAP budget summary was reviewed with the parties and no errors were found. The Department used the paycheck stubs Petitioner submitted to determine the current earned income. Petitioner confirmed that the housing cost was accurate at that time. Petitioner was eligible for the telephone and internet standards. (Exhibit A, p. 41; HF and Petitioner Testimony).

Petitioner noted that her income changes. Petitioner works at a high school and does not get paid for the days that school is closed, such as snow days. Petitioner also noted that she is a student paying for college and she recently got a car. (Petitioner Testimony). The Department determined the income based on the current verification Petitioner submitted. On the application Petitioner did not indicate that her income changes month to month. (Exhibit A, p. 12). Further, the FAP policy does not allow for consideration of expenses for college or a vehicle.

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 Petitioner's eligibility for FAP.

## **MA**

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.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Plan First MA is a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage residing in Michigan. The fiscal group's net income cannot exceed 195 percent of the federal poverty level. BEM 124, July 1, 2023, p. 1.

Petitioner was only potentially eligible for full coverage MA under the Healthy Michigan Plan (MA-HMP) category. For example, based on the information reported on the Application and during the interview, Petitioner was not under age 19, aged, blind, disabled, pregnant, or a parent or caretaker relative a dependent child. (Exhibit A, pp. 8-22)

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not 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, January 1, 2024, p. 1.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

The 2024 FPL for the 48 contiguous states and the District of Columbia for a group size of one is an annual income of \$15,060. Accordingly, 133% of FPL is \$20,029.80 for a group size of one. Divided by 12, this would equate to \$1,669.15 per month.

The Department counts the gross wage amount as earned income. BEM 501, January 1, 2024, p. 7.

In this case, the MAGI eligibility determination shows that the Department determined Petitioner's annual income was \$ [REDACTED], which is 149.16% of the FPL, and her monthly income was \$ [REDACTED]. (Exhibit A, p. 26). Accordingly, the income from employment exceeds the limit for MA-HMP. Therefore, Petitioner was only eligible for limited coverage under the Plan First category.

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 Petitioner's eligibility for MA.

### **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 Department policy when it determined Petitioner's eligibility for FAP and MA.

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

  
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**COLLEEN LACK**  
**ADMINISTRATIVE LAW JUDGE**

**APPEAL RIGHTS:** Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at [courts.michigan.gov](http://courts.michigan.gov). The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to [MOAHR-BSD-Support@michigan.gov](mailto:MOAHR-BSD-Support@michigan.gov), **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to  
Michigan Office of Administrative Hearings and Rules  
Rehearing/Reconsideration Request  
P.O. Box 30639  
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks.

**Via Electronic Mail:**

**Respondent**

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**Interested Parties**

BSC4  
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EQAD  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MOAHR

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]