



Date Mailed: March 11, 2025

Docket No.: 25-005113

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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### **HEARING DECISION**

On January 27, 2025, Petitioner [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on March 5, 2025. Public assistance hearings are held 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented himself. Respondent Michigan Department of Health and Human Services (Department) had Hearing Facilitator Lynda Brown appear as its representative. Neither party had any additional witnesses.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 57-page packet of documents provided by the Department was admitted collectively as Exhibit A.

### **ISSUE**

Did the Department properly determine Petitioner's Medicaid eligibility?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

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1. Petitioner had Medicaid through the Healthy Michigan Plan.
  2. Petitioner is not married.
  3. Petitioner does not have any tax dependents.
  4. On October 6, 2024, Petitioner submitted a redetermination form to the Department to renew his Medicaid eligibility. In the redetermination form, Petitioner reported that his total estimated income was [REDACTED] per year.
  5. On November 6, 2024, the Department interviewed Petitioner, and Petitioner reported that he works 30 hours per week and receives [REDACTED] per hour. Petitioner reported that he is paid biweekly.
  6. Petitioner provided the Department with paystubs from Macomb Community College. The most recent paystub was for a pay date of November 8, 2024. It showed that Petitioner was paid gross wages of [REDACTED] for 50 hours, and it showed that Petitioner's total year-to-date gross pay was [REDACTED].
  7. Petitioner normally works 50 hours per pay period during the academic year, and Petitioner normally works about 25 hours per pay period during academic breaks. Petitioner estimates that there are about four weeks per year that are academic breaks.
  8. The Department reviewed Petitioner's case to redetermine his Medicaid eligibility. The Department determined that Petitioner's modified adjusted gross income (MAGI) was [REDACTED] per month, and the Department determined that Petitioner's MAGI exceeded the limit for Medicaid through the Healthy Michigan Plan. The Department determined that the best Medicaid coverage that Petitioner was eligible for was limited-coverage Medicaid through Plan First.
  9. On December 6, 2024, the Department issued a health care coverage determination notice to Petitioner to notify him that he was only eligible for limited-coverage Medicaid through Plan First, effective January 1, 2025.
  10. 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).

Medicaid is also known as Medical Assistance (MA). The MA program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable

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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.

Medicaid coverage for adults is available through various programs, including the Healthy Michigan Plan. In order for an individual to be eligible for full-coverage Medicaid through the Healthy Michigan Plan, the individual must be aged 19 to 64, and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (January 1, 2024), p. 1. However, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500 (April 1, 2022), p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the group size. *Id.* at 5.

An individual's household size is determined based on tax filer and tax dependent rules. BEM 211 (October 1, 2023), 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, Petitioner's household size is one because Petitioner is a single tax filer, and he does not have any tax dependents.

The FPL for a household size of one in 2024 was \$15,060.00. 89 FR 2961 (January 17, 2024). Since the applicable FPL was \$15,060.00, 133% of the FPL was \$20,029.80, and 133% with a 5% disregard was \$20,782.80. Thus, the income limit for Petitioner to be eligible for Medicaid through the Healthy Michigan Plan was [REDACTED] per year.

Income eligibility is based on modified adjusted gross income (MAGI) for Healthy Michigan. BEM 137 at 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 5-6.

Based on the evidence presented, Petitioner's income did not exceed the limit for Medicaid through the Healthy Michigan Plan. Petitioner testified that he normally worked 50 hours per week during the academic year, and Petitioner testified that he was paid

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biweekly. Petitioner provided the Department with a recent paystub with a pay date of November 8, 2024, that showed that Petitioner was paid gross wages of [REDACTED] for 50 hours, and Petitioner's total year-to-date gross pay was [REDACTED]. Petitioner had three more biweekly pay dates after the November 8, 2024, pay date. Thus, Petitioner's annual income can reasonably be calculated by multiplying his normal gross biweekly pay of [REDACTED] times three and adding the product to his year-to-date gross pay of [REDACTED]. This results in an annual income of [REDACTED], which is less than the \$20,782.80 income limit for full-coverage Medicaid through the Healthy Michigan Plan.

The Department did not properly determine Petitioner's MAGI, and the Department did not properly determine that Petitioner's MAGI exceeded the limit for Medicaid through the Healthy Michigan Plan. Therefore, the Department's decision is reversed. The Department must reinstate Petitioner's full-coverage Medicaid through the Healthy Michigan Plan, effective January 1, 2025.

### **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 did not act in accordance with its policies and the applicable law when it determined Petitioner's Medicaid eligibility.

**IT IS ORDERED** that the Department's decision is **REVERSED**. The Department must reinstate Petitioner's full-coverage Medicaid through the Healthy Michigan Plan, effective January 1, 2025. The Department must begin to implement this order within 10 days of the mailing date of this hearing decision.



**JEFFREY KEMM**  
**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

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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

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**Via First Class Mail:**

**Petitioner**

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