



Date Mailed: March 28, 2025

Docket No.: 25-009207

Case No.: [REDACTED]

Petitioner: [REDACTED]

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

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这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

HEARING DECISION

On [REDACTED] 2025, Petitioner [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on March 26, 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 herself. Respondent Michigan Department of Health and Human Services (Department) had Hearing Coordinator Rachel Meade appear as its representative. Neither party had any additional witnesses.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 91-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 was due for Medicaid renewal in January 2025.
 2. Petitioner submitted three redetermination forms to renew her Medicaid eligibility. Petitioner reported the following pertinent information in her redetermination forms:
 - a. Petitioner's date of birth is [REDACTED]
 - b. [REDACTED] date of birth is [REDACTED]
 - c. [REDACTED] date of birth is [REDACTED].
 - d. [REDACTED] date of birth is [REDACTED].
 - e. Petitioner plans to file her tax return as a single individual, and Petitioner plans to claim [REDACTED] and [REDACTED] as dependents.
 - f. Petitioner receives income from Social Security RSDI benefits.
 - g. Petitioner receives income from employment at Edu Staff.
 - h. [REDACTED] receives income from employment at Walt Disney Company.
 3. Prior to Petitioner's redetermination, Petitioner, [REDACTED] and [REDACTED] all had full-coverage Medicaid through the Transitional Medicaid program.
 4. During Petitioner's redetermination, the Department determined that Petitioner had a household size of four, and the Department determined that Petitioner's household had the following income:
 - a. Petitioner was receiving gross income of [REDACTED] per month from her employment at Edu Staff.
 - b. Petitioner was receiving gross income of [REDACTED] per month from her Social Security RSDI benefits.
 - c. [REDACTED] was receiving gross income of [REDACTED] per month from his employment at Walt Disney Company.
 5. The Department determined that Petitioner's household modified adjusted gross income (MAGI) was [REDACTED] per year.
 6. The Department determined that [REDACTED] and [REDACTED] were eligible for full-coverage Medicaid through the MICHild program because Petitioner's household MAGI was less than the income limit.
 7. The Department determined that Petitioner and [REDACTED] were ineligible for full-coverage Medicaid through the Healthy Michigan Plan because Petitioner's household MAGI exceeded the income limit.

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8. The Department determined that the best Medicaid coverage that Petitioner and [REDACTED] were eligible for was Medicaid with a monthly deductible.
 9. On February 19, 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was eligible for Medicaid with a monthly deductible, [REDACTED] was eligible for Medicaid with a monthly deductible, [REDACTED] was eligible for full-coverage Medicaid, and [REDACTED] was eligible for full-coverage Medicaid.
 10. [REDACTED] and [REDACTED] have had full-coverage Medicaid with no lapse in coverage because their full-coverage Medicaid through the Transitional Medicaid program was effective through January 2025, and their full-coverage Medicaid through MICHild began February 2025.
 11. Petitioner had full-coverage Medicaid through February 2025, and then Petitioner's Medicaid changed to Medicaid with a monthly deductible.
 12. [REDACTED] had full-coverage Medicaid through March 2025, and then [REDACTED] Medicaid changed to Medicaid with a monthly deductible.
 13. Petitioner is disputing the Department's decision to find Petitioner and [REDACTED] ineligible for full-coverage Medicaid.

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 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.

In this case, Petitioner is disputing the Department's decision to find Petitioner and [REDACTED] ineligible for full-coverage Medicaid. The Department found [REDACTED] and [REDACTED] eligible for full-coverage Medicaid with no lapse in coverage, so Petitioner is not disputing their Medicaid coverage. Thus, the issue here is whether the Department properly determined that Petitioner and [REDACTED] were ineligible for full-coverage Medicaid.

Medicaid coverage for adults is available through 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 household 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 four because Petitioner is a single tax filer, and she claims four dependents. For a non-tax filer who is claimed as a dependent, the non-tax filer's household size generally includes the household of the tax filer claiming the individual as a dependent. *Id.* Here, [REDACTED] household size is also four because he is claimed as a dependent by Petitioner, and Petitioner has a household size of four.

The FPL for a household size of four in 2025 is \$32,150.00. 90 FR 5917 (January 17, 2025). Since the applicable FPL is \$32,150.00, 133% of the FPL is \$42,759.50, and 133% with a 5% disregard is \$44,367.00. Thus, the income limit for Petitioner and [REDACTED] to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$44,367.00 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 agreed that her household income from her Social Security RSDI, her wages from Edu Staff, and [REDACTED] wages from Walt Disney Company totaled [REDACTED] per month. Petitioner's household income is the same as her household MAGI. Petitioner's household income of [REDACTED] per month is equal to an annual income of [REDACTED] per year. Thus, Petitioner's household MAGI is [REDACTED] per year. Petitioner's household MAGI exceeded the limit for Petitioner and [REDACTED] to be eligible for full-coverage Medicaid through the Healthy Michigan Plan.

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Therefore, the Department properly found Petitioner and [REDACTED] ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

Since the Department found Petitioner and [REDACTED] ineligible for full-coverage Medicaid through the Healthy Michigan Plan, the Department properly determined that the best Medicaid coverage that they were eligible for was Medicaid with a monthly deductible. Medicaid with a monthly deductible is known as Group 2 Medicaid. Group 2 Medicaid is available to clients who are parents/caretaker relatives. BEM 135 (October 1, 2015), p. 1. Group 2 Medicaid is also available to clients who are under age 21. BEM 132 (April 1, 2018), p. 1. Group 2 Medicaid eligibility is determined on a monthly basis. Group 2 Medicaid provides coverage from the date a client met his or her deductible through the end of the month.

A client's deductible is determined by calculating the client's net income per BEM 536 and then determining the client's needs as defined by BEM 544. BEM 135 at 2 and BEM 132 at 2. A client's needs as defined by BEM 544 consists of: (1) a protected income level set by policy, (2) the cost of health insurance premiums paid, and (3) the cost of remedial services. BEM 544 (January 1, 2020), pp. 1-2. Thus, a client's deductible is equal to the client's net income minus the protected income level set by policy, the cost of health insurance premiums paid, and the cost of remedial services. The applicable protected income limit for Jackson County is only \$350.00 per month. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). There was no evidence presented to establish that the Department did not properly determine Petitioner's and [REDACTED] deductible amount.

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 its policies and the applicable law when it determined Petitioner's Medicaid eligibility.

IT IS ORDERED that the Department's decision is **AFFIRMED**.



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. 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, **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. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via Electronic Mail:

Respondent

JACKSON COUNTY DHHS
301 E LOUIS GLICK HWY
JACKSON, MI 49201
**MDHHS-JACKSON-
HEARINGS@MICHIGAN.GOV**

Interested Parties

BSC4
M. SCHAEFER
EQAD
MOAHR

Via First Class Mail:

Petitioner

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