



Date Mailed: April 3, 2025

Docket No.: 25-006851

Case No.: [REDACTED]

Petitioner: [REDACTED]

ZULMA MENENDEZ MONROY  
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SOUTHFIELD, MI 48034

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

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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 March 20, 2025. Petitioner appeared and was represented by Authorized Hearing Representative (AHR) [REDACTED]. Petitioner's understanding of the hearing was facilitated by Arabic interpreter Angel Vasquez (#10126) The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Avery Smith, Assistance Payments Supervisor.

### **ISSUE**

Did MDHHS properly approve Petitioner's minor daughter (Daughter) to receive Medical Assistance/Medicaid (MA) coverage under the Group 2 Under 21 (G2U) program?

### **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 is employed by [REDACTED] (Petitioner Employer) (Exhibit A, pp. 8-11).

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2. Petitioner's husband, [REDACTED] (Husband), is employed by [REDACTED] [REDACTED]. (Husband Employer) (Exhibit A, pp. 12-14).
  3. On February 13, 2025, Petitioner's MA application for Daughter was reprocessed by MDHHS after being denied in error (Exhibit A, p. 1).
  4. MDHHS issued a Healthcare Coverage Determination Notice to Petitioner, informing her that Daughter was approved for G2U MA coverage with a \$5,270.00 deductible/spenddown (Exhibit A, pp. 16-21).
  5. On February 10, 2025, MDHHS received Petitioner's timely submitted hearing request disputing that Daughter was not approved for full coverage MA, effective February 1, 2025 (Exhibit A, pp. 3-5).

### **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.

In this case, MDHHS determined that, due to excess income, Daughter was not approved for full coverage MA but approved for G2U MA coverage with a \$5,270.00 deductible/spenddown. Petitioner disputes that Daughter was not approved for full coverage MA, effective February 1, 2025.

Medicaid eligibility for children under age 19, is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105 (January 2024), p. 1. Petitioner and Husband receive income from employment. Upon review of the paystubs provided, the household monthly earned income totaled \$[REDACTED] (see Exhibit A, pp. 8-14). Petitioner confirmed that the income relied upon by MDHHS was accurate. Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. BEM 105, p. 3. Daughter is a minor child and is potentially eligible for coverage under Low Income Families (LIF), Other Healthy Kids (OHK), the Healthy Kids Expansion (HKE), MiChild, or G2U. BEM

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105, p. 4. LIF eligibility is a MAGI-related eligibility subgroup. Children with Income under 54% of the federal poverty level (FPL) will be considered LIF eligible. BEM 110 (April 2018), p. 1. The 2025 FPL (federal poverty level) for a group size of three is \$26,650 or \$2,221.00 monthly. 54% of the FPL for a household size of three is \$1,199.00 monthly.<sup>1</sup> Since Petitioner's monthly amount is well over 54% of FPL, Daughter is not eligible for LIF MA coverage.

MiChild is a MAGI-related Medicaid Expansion program for children who are under 19 years of age, who are not enrolled in comprehensive health insurance, and household income is under 212% of the FPL. BEM 130 (January 2024), p. 1. 212% of the 2025 FPL for a group size of three is \$4,709.00. Since Petitioner's monthly amount is over 212% of FPL, Daughter is not eligible for MiChild MA coverage.

OHK and HKE are two programs in the MAGI U-19 Medicaid category. OHK and HKE are available to children under the age of 19 whose household income does not exceed 160% of FPL. Both programs are defined by age, household income, and whether the child has other comprehensive insurance. BEM 131 (January 2022), p. 1. 160% of the 2025 FPL for a group size of three is \$3,554.00. Since Petitioner's monthly amount is over 160% of FPL, Daughter is not eligible for OHK or HKE MA coverage.

As Petitioner has excess income for LIF, MiChild, OHK, and HKE eligibility, Daughter could potentially be eligible for MA coverage under the G2U MA program deductible program, which provides for MA coverage subject to a monthly deductible for individuals with excess income. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the amount the individual's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the client's shelter area (county in which the client resides) and fiscal group size. BEM 135, p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1.

Net income is reduced by allowable needs deductions for guardianship/conservator expenses, a standard work expense of \$90, \$30 plus 1/3 disregard for individuals with earnings who received FIP in the previous year, dependent care expenses, child support expenses. BEM 536, pp. 1-3. As discussed, Petitioner's countable income was \$12,030.00. The evidence presented showed that the group is eligible for a \$90 earned income deduction.

The budget shows that Petitioner's prorated income is \$[REDACTED], and Husband's prorated income is \$[REDACTED] (see Exhibit A, p. 15). An adult's prorated income is determined by dividing monthly budgetable income, calculated in accordance with BEM 536, pp. 1-4, by the adult's applicable prorate divisor, which is the sum of 2.9 and the number of dependents living with the adult. BEM 536, p. 4. For purposes of determining the prorate divisor, dependent means the adult's spouse and unmarried children under age

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<sup>1</sup> <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references>

18. BEM 536, p. 4. In this case, Petitioner and Husband are married, with one minor child. Therefore, Petitioner has 2 dependents and her prorate divisor is 2.9 plus two, or 4.9. Petitioner's gross income of \$[REDACTED], subtracted by the \$90 earned income disregard divided by 4.9, results in a prorated income of \$[REDACTED]. This is not the prorated amount that MDHHS relied upon in the presented budget. MDHHS was unable to testify as to the calculation of the deductible amount and how that amount was determined. Therefore, while MDHHS has shown that they acted in accordance with policy in determining that Daughter is eligible for G2U coverage, MDHHS has failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Daughter's 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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Daughter's MA deductible amount.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Petitioner's MA application to determine the most beneficial category of coverage in accordance with policy and consistent with this hearing decision;
2. If Daughter is eligible for MA benefits, provide coverage for Daughter for any MA that she was eligible to receive but did not from February 1, 2025 ongoing;
3. Notify Petitioner of its decision in writing.

  
**DANIELLE NUCCIO**  
**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](https://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](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. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

**Via Electronic Mail:**

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**Interested Parties**  
EQAD HEARINGS  
M. SCHAEFER  
BSC4

**Via First Class Mail:**

**Authorized Hearing Rep**

[REDACTED]

**Petitioner**

[REDACTED]