



Date Mailed: April 25, 2025

Docket No.: 25-008819

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

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 February 24, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on April 22, 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 Assistance Payments Supervisor Amanda Boobyer appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 19-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 is employed by Calhoun ISD. Petitioner works an average of 30 to 35 hours per week, and her employer pays her \$[REDACTED] per hour. Additionally, Petitioner's employer pays Petitioner a \$[REDACTED] stipend each month for health insurance. Petitioner's employer pays Petitioner biweekly.
 2. Petitioner is not married, and Petitioner has one child who she claims as a tax dependent. Petitioner does not have any other tax dependents.
 3. Petitioner's child receives a gross benefit of approximately \$[REDACTED] per month from Social Security RSDI.
 4. In January 2025, the Department redetermined Petitioner's Medicaid eligibility when the Department received updated income information from Petitioner during Petitioner's Food Assistance Program (FAP) redetermination.
 5. The Department received two paystubs from Petitioner during Petitioner's FAP redetermination, and those paystubs contained the following information:
 - a. On November [REDACTED] 2024, Petitioner's employer, [REDACTED] [REDACTED] paid Petitioner \$[REDACTED] for 60.42 hours of work at \$[REDACTED] per hour. Petitioner's year-to-date taxable gross pay was \$[REDACTED]
 - b. On December [REDACTED] 2024, Petitioner's employer, [REDACTED] [REDACTED] paid Petitioner \$[REDACTED] for 60.72 hours of work at \$[REDACTED] per hour plus a \$[REDACTED] health insurance stipend. Petitioner's year-to-date taxable gross pay was \$[REDACTED]
 6. When the Department redetermined Petitioner's Medicaid eligibility, the Department determined that Petitioner's annual modified adjusted gross income (MAGI) was \$[REDACTED] and the Department determined that Petitioner's MAGI exceeded the applicable income limit to be eligible for full-coverage Medicaid through the Healthy Michigan Plan.
 7. On January [REDACTED] 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was ineligible for full-coverage Medicaid through the Healthy Michigan Plan, effective March 1, 2025.
 8. Petitioner requested a hearing to dispute the Department's decision to find her ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

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 her ineligible for full-coverage Medicaid. Thus, the issue here is whether the Department properly determined that Petitioner was 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 two because Petitioner is a single tax filer who claims one dependent.

The FPL for a household size of two in 2025 is \$21,150.00. 90 FR 5917 (January 17, 2025). Since the applicable FPL is \$21,150.00, 133% of the FPL is \$28,129.50, and 133% with a 5% disregard is \$29,187.00. Thus, the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$29,187.00 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's household income was only \$ [REDACTED] per year for purposes of determining her eligibility for MAGI Medicaid. Petitioner's year-to-date gross taxable pay was \$ [REDACTED] as of December 6, 2024, Petitioner had one pay period remaining in the year, and Petitioner could reasonably expect to receive gross pay of approximately \$ [REDACTED] on her final paycheck of the year. Thus, Petitioner's total gross taxable pay for the year could reasonably be estimated at \$ [REDACTED]. Petitioner's child received Social Security RSDI benefits, but those benefits are not countable income for purposes of determining Petitioner's eligibility for MAGI Medicaid. A tax dependent's Social Security RSDI is only countable when the tax dependent is required to file taxes. BEM 503 (January 1, 2025), p. 31. Petitioner's child only received a gross benefit of \$ [REDACTED] per month, so Petitioner's child was not required to file taxes. Thus, Petitioner's child's Social Security RSDI is not countable income for purposes of determining Petitioner's eligibility for MAGI Medicaid.

Petitioner's household income was less than the \$29,187.00 limit, so Petitioner's household income did not exceed the applicable limit. Since Petitioner's household income did not exceed the applicable limit, Petitioner was eligible for full-coverage Medicaid through the Healthy Michigan Plan. Therefore, the Department did not properly determine Petitioner's Medicaid eligibility when the Department determined that Petitioner was no longer eligible for full-coverage Medicaid through the Healthy Michigan Plan.

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 March 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),

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including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at 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
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MOAHR

Via First Class Mail:

Petitioner

