



Date Mailed: April 11, 2025
Docket No.: 25-010204
Case No.: [REDACTED]
Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি উকুমেন্ট। দয়া করে কেউ দার্শাবেজ অনুবাদ করুন।

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

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 April 7, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Jamila Goods, Eligibility Specialist.

ISSUES

Did MDHHS properly close Petitioner's Food Assistance Program (FAP) case due to excess income?

Did MDHHS properly update Petitioner's Medical Assistance (MA) coverage?

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] 2025, Petitioner applied for FAP benefits for a group size of two, consisting of her minor daughter, [REDACTED] (Daughter), and herself. Petitioner's household contains a Senior, Disabled, or Disabled Veteran (S/D/V) individual.

2. Petitioner receives \$ [REDACTED] in monthly Retirement, Survivors, Disability Insurance (RSI).
3. Daughter receives \$ [REDACTED] in monthly RSDI.
4. Petitioner receives \$ [REDACTED] in monthly Unemployment Compensation Benefits (UCB).
5. Upon receiving Petitioner's FAP application, MDHHS updated Petitioner's MA case and determined the household's ongoing eligibility and coverage.
6. On February 1, 2025, MDHHS issued a Notice of Case Action, informing Petitioner that her FAP case will be closed, effective March 1, 2025, due to excess net income (Exhibit A, pp. 14-18).
7. On March 5, 2025, MDHHS issued a Healthcare Coverage Determination Notice to Petitioner, informing her that she was eligible for Group 2 SSI-related (G2S) Medicaid program with a deductible amount of \$ [REDACTED] and Plan First MA coverage and that Daughter's MA coverage is under the Plan First program (Exhibit A, pp. 7-13).
8. On March 11, 2025, MDHHS received Petitioner's hearing request. Petitioner stated that she disputes her FAP case closing in October 2024. Petitioner also checked that she disputed the actions taken on her MA case (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).

Food Assistance Program (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.

In Petitioner's March 11, 2025 request for hearing, she disputes the closure of her FAP case in October 2024. Clients have the right to contest a MDHHS decision affecting eligibility or benefit levels whenever they believe the decision is incorrect. MDHHS provides an administrative hearing to review the decision and determine its appropriateness in accordance to policy. Department of Health and Human Services

Bridges Administrative Manual (BAM) 600 (March 2021), p. 1. A client's request for hearing must be in writing and signed by an adult member of the eligible group, adult child, or authorized hearing representative (AHR). BAM 600, p. 2. Moreover, BAM 600, p. 6 provides that a request for hearing must be received in the Department local office within 90 days of the date of the written notice of case action. The Michigan Office of Administrative Hearings and Rules (MOAHR) may grant a hearing about a denial of an application and/or supplemental payments; reduction in the amount of program benefits or service; suspension or termination of program benefits or service; restrictions under which benefits, or services are provided or delay of any action beyond the standards of promptness. BAM 600, pp. 4-6.

In this case, Petitioner's request for hearing was made over 90 days after the action in dispute. Petitioner did not allege any other dispute regarding her FAP case. Therefore, Petitioner's FAP request for hearing is dismissed.

Medical Assistance (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.

Petitioner also contests the change in MA coverage for Daughter and herself. Following the submission of Petitioner's FAP application on January 9, 2025, MDHHS evaluated the household's ongoing MA eligibility. MDHHS is required to evaluate each change reported and determine if it affects eligibility. BAM 220 (November 2023), p. 1. When MDHHS received and processed Petitioner's January 9, 2025 FAP application, they updated Petitioner's MA case and determined that Petitioner is eligible for G2S MA with a \$3,328.00 monthly deductible and Daughter is eligible for G2U MA with a \$762.00 monthly deductible.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (June 2020), p. 1. If an individual is unable to receive MA under an SSI-related category, because no individual is aged (65 or older), blind, disabled, or entitled to Medicare or formerly blind or disabled, then MDHHS must review the household's eligibility based on Modified Adjusted Gross Income (MAGI) methodology for MA coverage under the MAGI categories: children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and HMP. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial

coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. AD-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. In determining if Petitioner is eligible for a SSI-related MA category, MDHHS must determine Petitioner's MA fiscal group size and net income. BEM 105, p. 1. The size of the household will be determined by the principles of tax dependency in the majority of cases. Parents, children and siblings are included in the same household. Individual family members may be eligible under different categories. BEM 211 (October 2023), p. 1. Petitioner's household consists of her minor daughter and herself. Therefore, Petitioner is considered a group size of two. Petitioner's household receives income from her RSDI, Daughter's RSDI, and Petitioner's UCB. A child/tax-dependent's RSDI is countable only if that child or tax-dependent is required to file taxes. BEM 503 (January 2025), p. 31. Therefore, Petitioner's household income will not include Daughter's RSDI, totalling \$ [REDACTED]. Petitioner's net income is reduced by a \$20 disregard. BEM 541 (January 2023), p. 3. The income limit for AD-Care for a two-person MA group is \$1,703.00. (100% of the Federal Poverty Level (FPL) plus the \$20 disregard for RSDI income). RFT 242 (April 2024), p. 1; BEM 541, p. 3. Because Petitioner's monthly household income exceeds \$1,703.00, MDHHS properly determined Petitioner to be ineligible for MA benefits under AD-Care.

Petitioner may still receive MA benefits subject to a monthly deductible. In this case, Petitioner receives income from the Social Security Administration and is the caretaker to a minor child. MDHHS reviewed Petitioner's circumstances and determined that she was eligible for Group 2 SSI-related. However, MDHHS failed to evaluate that, as the parent of a dependent child in her home, Petitioner is eligible for MA coverage under the G2C program. See BEM 105, p. 2; BAM 220, pp. 17-19; BEM 135 (October 2015), p. 1. G2C is a Group 2 MA program and would likely result in a lower deductible for Petitioner than G2S. Since MDHHS failed to consider this category for Petitioner, and clients are entitled to the most beneficial MA category, MDHHS did not act in accordance with policy in changing Petitioner's MA coverage to G2S.

Additionally, MDHHS determined that Daughter was no longer eligible for full coverage MA but approved for G2U MA coverage with a \$762.00 deductible/spenddown. Petitioner disputes that Daughter was not approved for full coverage MA.

Medicaid eligibility for children under 19, is based on MAGI methodology. BEM 105, p.1. 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 105, p. 4. As discussed, Petitioner's total household income is \$ [REDACTED] monthly. While Petitioner disputes the income amount relied upon by MDHHS, no evidence was presented to show that the database amounts used were not accurate.

LIF eligibility is a MAGI-related eligibility subgroup. Children with Income under 54% of the FPL will be considered LIF eligible. BEM 110 (April 2018), p. 1. The 2025 FPL for a

group size of two is \$21,150 or \$1,763.00 monthly. 54% of the FPL for a household size of two is \$952.00 monthly.¹ Since Petitioner's monthly amount is 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 two is \$3,738.00. 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 two is \$2,821.00. 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, HKE eligibility, Daughter could potentially 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 132 (April 2018) p. 2; BEM 536 (July 2019); 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 is \$ [REDACTED]. Petitioner is not eligible for any deductions to her income.

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 18. BEM 536, p. 4. In this case, Petitioner has one minor child. Therefore, Petitioner has 1 dependent and her prorate divisor is 2.9 plus one, or 3.9. Petitioner's gross income of \$ [REDACTED] divided by 3.9, results in a prorated income of \$ [REDACTED]. This is not the prorated amount that MDHHS relied upon in the budget testified. MDHHS did not present a G2U budget for consideration. 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,

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

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

Petitioner's hearing request for FAP is **DISMISSED**.



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. 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:

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Interested Parties
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