



Date Mailed: April 11, 2025

Docket No.: 25-010583

Case No.: [REDACTED]

Petitioner: [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.

[REDACTED]

HEARING DECISION

On March 4, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on April 8, 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 Eligibility Specialist Tracy Nguyen appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 36-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 files her federal income tax return as a single individual, and Petitioner claims two tax dependents: [REDACTED].
 2. [REDACTED] [REDACTED] is Petitioner's child.
 3. [REDACTED] [REDACTED] is a disabled adult.
 4. [REDACTED] [REDACTED] receives a monthly benefit from Social Security RSDI.
 5. [REDACTED] [REDACTED] is employed by [REDACTED]. He works approximately 18 hours per week, and [REDACTED] pays him \$[REDACTED] per hour.
 6. [REDACTED] is not required to file a federal income tax return.
 7. [REDACTED] is Petitioner's granddaughter.
 8. [REDACTED] is a senior in high school.
 9. [REDACTED] does not receive any income.
 10. Petitioner is not a senior or disabled individual.
 11. Petitioner's date of birth is July [REDACTED] 1961.
 12. Petitioner receives a \$[REDACTED] gross monthly benefit from Social Security RSDI.
 13. Petitioner is employed by [REDACTED] Schools, and [REDACTED] Schools pays Petitioner approximately \$[REDACTED] per month.
 14. On January [REDACTED] 2025, Petitioner applied for Medicaid coverage from the Department.
 15. When the Department processed Petitioner's application, the Department determined that Petitioner had a household size of one, and the Department determined that Petitioner's household modified adjusted gross income (MAGI) was \$[REDACTED] per year. The Department determined that Petitioner's household MAGI exceeded the income limit for Medicaid coverage.
 16. On February [REDACTED] 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was ineligible for Medicaid, effective January 1, 2025.
 17. 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

25-010583

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 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 three because Petitioner is a single tax filer who claims two dependents. The Department erroneously determined that Petitioner's household size was only one.

The FPL for a household size of three in 2025 is \$26,650.00. 90 FR 5917 (January 17, 2025). Since the applicable FPL is \$26,650.00, 133% of the FPL is \$35,444.50, and 133% with a 5% disregard is \$36,777.00. Thus, the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$36,777.00 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

25-010583

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 MAGI consisted of Petitioner's RSDI benefit of \$██████████ per month, Petitioner's earned income of \$██████████ per month, and ██████████ earned income of \$██████████ per month. William's earned income amount was calculated by (1) multiplying his average hours per week by his pay rate, (2) multiplying the product by 52 weeks, and (3) dividing that product by 12 months. ██████████ RSDI benefit is excluded from Petitioner's household MAGI pursuant to policy. A tax dependent's Social Security RSDI benefit is only countable if the tax dependent is required to file taxes. BEM 503 (January 1, 2025), p. 31. ██████████ is Petitioner's tax dependent, and he is not required to file taxes, so his RSDI benefit is not countable. Petitioner's total household MAGI equals \$██████████ which is equal to \$██████████ per year. Petitioner's household MAGI exceeded the applicable income limit, so the Department properly determined that Petitioner was ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

Although the Department did not properly determine Petitioner's household size and income when it processed her application, the Department properly determined that Petitioner was ineligible for full-coverage Medicaid through the Healthy Michigan Plan. Based on Petitioner's household size of three and Petitioner's household MAGI of \$██████████ Petitioner is ineligible for full-coverage Medicaid through the Healthy Michigan Plan. Therefore, the Department's decision must be affirmed.

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 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.

25-010583

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Via Electronic Mail:

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SCHAEFERM

EQADHEARINGS

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MOAHR

Via First Class Mail:

Petitioner

