



Date Mailed: May 2, 2025
Docket No.: 25-012071
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ 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; 42 CFR 438.400 to 438.424; 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 by telephone on May 1, 2025. Petitioner was represented by their Authorized Hearing Representative (AHR) and spouse, [REDACTED] (Spouse). The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist and Hearing Facilitator.

ISSUE

Did the Department properly determine Spouse's Medicaid (MA) eligibility?

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, the Department received a redetermination application for MA coverage from Petitioner. Petitioner reported that he receives Retirement, Survivors, and Disability Insurance (RSDI) income of \$ [REDACTED] per month, Spouse has income from employment of \$ [REDACTED] bi-weekly, and he and Spouse are joint tax filers with one [REDACTED] year old tax dependent. (Exhibit A, pp. 6 – 12).

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1. Spouse is ■ years old, not disabled, and is employed by ■ (Employer). (Exhibit A, pp. 7, 11, 13 – 14).
 2. In the month of January 2025, Spouse had gross employment income of \$■ and had no deductions from her pay other than income taxes. (Exhibit A, pp. 13 – 14).
 3. On March 12, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Spouse for Plan First Family Planning (PFFP) effective April 1, 2025 ongoing, based on a fiscal group of three and an annual income of \$■. (Exhibit A, pp. 15 – 19).
 4. On March 26, 2025, the Department received a request for hearing from Petitioner disputing the Department's determination of Spouse's MA eligibility. (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.

Petitioner requested a hearing to dispute the Department's determination of Spouse's MA eligibility effective April 1, 2025 ongoing. On March 12, 2025, the Department approved Spouse for PFFP effective April 1, 2025 ongoing, based on a fiscal group of three and an annual income of \$39,228.

Under federal law, an individual is entitled to the most beneficial MA category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, p. 1; BEM 137 (January 2024), p. 1. Individuals

who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

In this case, the evidence established that Spouse is ■ years old, married, employed, a joint tax filer with Petitioner, and that she and Petitioner have one ■ year old tax dependent. Spouse testified that she is not disabled, and there was no evidence that she is blind or pregnant. Therefore, Petitioner is potentially eligible for full-coverage HMP and/or PFFP MA coverage only.

HMP and PFFP are Modified Adjusted Gross Income (MAGI)-related MA programs, with HMP providing full coverage and PFFP providing limited coverage. Because HMP offers full MA coverage, it is a more beneficial coverage for Spouse than PFFP.

To qualify for health care coverage under HMP, the individual must:

- be 19 – 64 years of age,
- not qualify for or be enrolled in Medicare,
- not qualify for or be enrolled in other Medicaid programs,
- not be pregnant at the time of application,
- meet Michigan residency requirements,
- meet Medicaid citizenship requirements, and
- have income at or below 133% of the Federal Poverty Level (FPL) for their group size.

BEM 137, p. 1.

An individual may be eligible for PFFP if their MAGI-income is no more than 195% of the FPL applicable to the individual's group size. BEM 124, p. 1.

An individual's group size for MAGI purposes requires consideration of the client's tax filing status and the evidence established that Spouse has a fiscal group size of three. BEM 211 (October 2023), pp. 1 – 2. Additionally, for MAGI-related plans, a 5% disregard is available, to make those individuals eligible who would otherwise not be eligible, which increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500 (April 2022), p. 5.

Beginning in January 2025, the annual FPL for a fiscal group of three is \$26,650, and the 5% disregard is \$1,333. (<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. Last accessed January 24, 2025). Based on the FPL, the HMP income limit for a fiscal group of three is \$35,444.50 annually, or \$2,953.71 per month. With the 5% disregard, the total income limit for HMP, is \$36,777, or \$3,064.75 per month.

To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group. BEM 500, p. 1. To determine financial eligibility for MAGI-

related MA, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 3 – 4. MAGI is based on Internal Revenue Service rules and relies on federal tax information from current income sources. BEM 500, pp. 3 – 4; see also 42 CFR 435.603(h)(1),(2).

The Department uses current monthly income, and reasonably predictable changes in income, to calculate a client's MAGI-income. (MAGI-Based Income Methodologies (SPA 17-0100), eff. 11/01/2017, app. 03/13/2018); 42 CFR 435.603(h). MAGI-income is calculated for each income earner in the household by using the "federal taxable wages" reported on earner's paystubs or, if federal taxable wages are not reported on the paystub, by using "gross income" minus amounts deducted by the employer for child care, health coverage, and retirement plans. A client's tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest, if any, from the client's tax return are added back to the client's adjusted gross income (AGI) to determine MAGI income. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

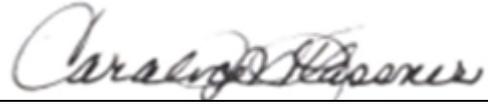
Here, there was no dispute that Petitioner receives RSDI income of \$ [REDACTED] per month, \$185 per month is withheld from his RSDI income for his Medicare Part B premiums, and that Petitioner and Spouse are joint tax filers and claim their 21 year old child as a tax dependent. The Department testified that it calculated that Spouse's gross monthly earned income was \$ [REDACTED] based on her January 2025 earnings, which was consistent with the evidence. There was no dispute that Spouse had no child care, health coverage, or retirement plan deductions from her gross pay. Although Spouse testified that her actual earnings are more than the amount calculated by the Department, based on the Department's calculation, the fiscal group's total income was \$ [REDACTED], and when it was reduced by Petitioner's \$185 per month Medicare Part B premiums, Spouse's MAGI-related income was \$ [REDACTED] per month.

Because \$ [REDACTED] per month is more than the income limit for HMP with the 5% disregard, \$ [REDACTED], the Department properly determined Petitioner was not eligible for HMP.

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 Department policy when it determined Petitioner was not eligible for HMP MA.

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



CARALYCE M. LASSNER
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

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