

Date Mailed: May 8, 2025

Docket No.: 25-013506

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

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 May 5, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Layana Jefferson, Hearings Facilitator.

ISSUES

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

Did MDHHS properly close Petitioner's Medical Assistance/Medicaid (MA) case due to excess income?

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 was an ongoing FAP benefit and MA recipient.
2. On March [REDACTED] 2025, Petitioner submitted a redetermination of FAP benefits. Petitioner is under age 65 years old. Petitioner is not disabled. Petitioner does not receive Social Security benefits. Petitioner is unmarried and has no tax dependents (Exhibit A, pp. 9-13).
3. Petitioner is employed at [REDACTED] [REDACTED] (Employer) (Exhibit A, pp. 14-16).
4. On March [REDACTED] 2025, MDHHS issued a Notice of Case Action to Petitioner, informing him that his FAP case was closed due to excess gross income, effective April 1, 2025 (Exhibit A, pp. 19-22).

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5. On March [REDACTED] 2025, MDHHS issued a Healthcare Coverage Determination Notice, stating that Petitioner is no longer eligible for MA coverage due to excess income (Exhibit A, pp. 23-26).
 6. On March 31, 2025, MDHHS received Petitioner's timely submitted hearing request disputing the closure of his FAP case and MA case (Exhibit A, pp. 3-6).

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.

Petitioner disputes the closure of his FAP case due to excess gross income.

All FAP groups which do not contain a Senior, Disabled, or Disabled Veteran (S/D/V) group member, such as Petitioner's, must have income below the Gross Income Limit and the Net Income Limit. BEM 550 (October 2024), p. 1. Effective October 1, 2022, the Gross Income Limit for a group size of one is \$1,632.00 and the Net Income Limit is \$1,255.00. RFT 250 (October 2024), p. 1.

MDHHS determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. In prospecting income, MDHHS is required to use the gross income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 5-6. A standard monthly amount must be determined for each income source used in the budget, which is determined by multiplying average biweekly pay by 2.15 and average weekly pay by 4.3. BEM 505 pp. 8-9.

In this case, MDHHS testified that they used Petitioner's weekly pay from Employer from February 13, 2025 through March 14, 2025. MDHHS received this income information from the Work Number database (see Exhibit A, pp. 14-16). MDHHS testified that Petitioner's pay from March 7 was discarded as unusual. However, upon review, MDHHS relied upon prospective income of \$[REDACTED] which does include the March 7 pay date

income. If MDHHS had actually discarded the income received on March 7, Petitioner's gross pay from Employer from the 30 days prior to receiving the redetermination form totaled \$[REDACTED] which is still in excess of the gross income limit for a group size of one. Therefore, MDHHS acted in accordance with policy in closing Petitioner's FAP case due to excess gross income.

Petitioner confirmed that the income used from that time period was accurate, but that he was working extra hours then and now receives less income per pay period. Upon review of Petitioner's income from December 2024 through March 2025, the pay that MDHHS relied upon in their determination is normal, average amounts. At the hearing, MDHHS advised Petitioner that if his income has decreased, he may reapply for FAP benefits at any time.

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.

Upon reviewing Petitioner's eligibility criteria after receiving the FAP redetermination, MDHHS concluded that Petitioner was no longer eligible for MA coverage due to excess income. Petitioner disputes the closure of his MA case.

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 (January 2024), 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.

HMP is based on MAGI methodology. HMP provides health care coverage for individuals who:

- Are 19-64 years of age.
- Do not qualify for or are not enrolled in Medicare.
- Do not qualify for or are not enrolled in other Medicaid programs.
- Are not pregnant at the time of application.
- Meet Michigan residency requirements.
- Meet Medicaid citizenship requirements.
- **Have income at or below 133 percent Federal Poverty Level (FPL).**

BEM 137, p. 1 (Emphasis Added).

Petitioner is ■ years old, is not considered disabled, does not receive Social Security benefits, and does not care for any minor children. Therefore, MDHHS properly evaluated Petitioner's eligibility under HMP. Petitioner meets all non-financial factors for HMP eligibility. MDHHS determined that Petitioner does not qualify for HMP since the household's income exceeds the income limit. Household size or group composition for MAGI-related categories follows tax filer and tax dependent rules. The household for a tax filer, who is not claimed as a tax dependent, consists of the individual, individual's spouse, and tax dependents. BEM 211 (October 2023), pp. 1-2. In this case, Petitioner would be considered a household size of one since he is not married and has no tax dependents. Petitioner confirmed this is accurate. The 2025 FPL for a group size of one is \$15,650 of \$1,304.00 monthly. 133% of the FPL for a household size of one is \$20,815 annually or \$1,735.00 monthly.¹

As discussed, Petitioner received \$■ in gross monthly income from Employer during the determination period. Since Petitioner's monthly gross income exceeds 133% of the FPL, he does not qualify to receive MA under the HMP. As Petitioner does not qualify for another MA category, MDHHS acted in accordance with policy in closing Petitioner's MA case. Petitioner was encouraged to reapply in the future if his income changes.

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

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 closed Petitioner's FAP case and when it closed Petitioner's MA case.

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



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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