

Date Mailed: May 30, 2025

Docket No.: 25-017230

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

HEARING DECISION

On April 29, 2025, Petitioner [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on May 27, 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's authorized hearing representative, [REDACTED] [REDACTED] appeared and represented Petitioner. Respondent Michigan Department of Health and Human Services (Department) had Assistance Payments Supervisor Jennifer Richard appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 53-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:

1. On April [REDACTED] 2025, Petitioner submitted a redetermination form to the Department to renew her Medicaid eligibility. Petitioner reported the following pertinent information in the redetermination form:
 - a. Petitioner reported that she has a household size of two, composed of herself and her spouse.
 - b. Petitioner reported that neither of them had a disability.
 - c. Petitioner reported that her spouse was earning income from employment at [REDACTED]

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- d. Petitioner reported that she plans to file a tax return jointly with her spouse, and they do not plan to claim any dependents.
 2. Petitioner did not provide any proof of her spouse's wages with the redetermination form, so the Department obtained her spouse's wages from Equifax. According to the information the Department obtained from Equifax, [REDACTED] pays Petitioner's spouse weekly. [REDACTED] paid Petitioner's spouse the following gross earnings:
 - a. \$[REDACTED] paid April 18, 2025.
 - b. \$[REDACTED] paid April 11, 2025.
 - c. \$[REDACTED] paid April 4, 2025.
 - d. \$[REDACTED] paid March 28, 2025.
 - e. \$[REDACTED] paid March 21, 2025.
 3. The Department completed Petitioner's redetermination. The Department determined that Petitioner had a household size of two, 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 full-coverage Medicaid.
 4. On April [REDACTED] 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that Petitioner and her spouse were only eligible for limited-coverage Medicaid through Plan First, effective June 1, 2025.
 5. Petitioner requested a hearing to dispute the Department's determination.
 6. Petitioner subsequently reapplied for Medicaid and asserted that she was disabled. The Department is currently processing Petitioner's application.

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 Petitioner and her spouse ineligible for full-coverage Medicaid. Thus, the issue here is whether the Department properly determined that Petitioner and her spouse were 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 married and Petitioner and her spouse do not claim any dependents.

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 and her spouse 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 spouse received average gross earnings of \$[REDACTED] per week, which is equal to \$[REDACTED] per year. Thus, Petitioner's household MAGI was \$[REDACTED] per year. Petitioner's household MAGI exceeded the income limit for Petitioner and her spouse to be eligible for full-coverage Medicaid through the Healthy Michigan Plan. Since Petitioner's household MAGI exceeded the applicable income limit, the Department properly determined that Petitioner and her spouse were ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

The Department found Petitioner and her spouse eligible for limited-coverage Medicaid through Plan First because the Department determined that it was the best Medicaid coverage that Petitioner and her spouse were eligible for. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited-coverage Medicaid through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's MAGI was less than the income limit, so the Department properly found Petitioner and her spouse eligible for limited-coverage Medicaid through Plan First.

Petitioner asserted that her expenses should be considered when determining her Medicaid eligibility, but Petitioner's expenses could not be considered because Petitioner was only potentially eligible for MAGI-based Medicaid, and expenses cannot be considered for MAGI-based Medicaid. Thus, the Department properly determined Petitioner's Medicaid eligibility without considering Petitioner's expenses.

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.

Via Electronic Mail:

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SCHAEFERM

EQADHEARINGS

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MOAHR

Via First Class Mail:

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Authorized Hearing Rep

