



Date Mailed: September 22, 2025
Docket No.: 25-018049
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.

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Docket No.: 25-018049

Case No.: [REDACTED]

Petitioner: [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; 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 September 18, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Victoria Lewis, Eligibility Specialist. Translation services were provided by Muhammed Aziz, Assistance Payments Worker of the Department, who served as an English-Bengali translator during the hearing.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (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. Petitioner is married, has one [REDACTED] year old tax dependent (Dependent), and is an ongoing recipient of MA coverage.
1. On April 3, 2025, the Department received four paystubs for Petitioner's husband's, Mohammed Alam (Spouse), income. The paystubs reflected that Spouse had the following income:
 - a) On March 7, 2025, gross income of \$ [REDACTED], and federal taxable wages of \$ [REDACTED],
 - b) On March 14, 2025, gross income of \$ [REDACTED], and federal taxable wages of \$ [REDACTED],
 - c) On March 21, 2025, gross income of \$ [REDACTED], and federal taxable wages of \$ [REDACTED], and
 - d) On March 28, 2025, gross income of \$ [REDACTED], and federal taxable wages of \$ [REDACTED].

(Exhibit A, pp. 8 – 11).

2. On April 21, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner for MA subject to a monthly deductible of \$2,171 effective May 1, 2025.
3. On May 5, 2025, the Department received a request for hearing from Petitioner to dispute the Department's determination of her MA eligibility, including the monthly deductible of \$2,171. (Exhibit A, pp. 3 – 6).
4. On May 12, 2025, the Department sent Petitioner a HCCDN that also approved Petitioner for Plan First Family Planning (PFFP) effective May 1, 2025. (Exhibit A, pp. 12 – 13).

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 her MA eligibility. The Department testified that it sent Petitioner a HCCDN on April 21, 2025, that approved her for MA subject to a monthly deductible of \$2,171 effective May 1, 2025.

Under federal law, an individual is entitled to the most beneficial 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

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Planning (PFFP), which is a limited coverage MA category, and a client may be approved for PFFP only or in conjunction with other MA coverage. BEM 124 (July 2023), p. 1.

In this case, Petitioner is a married tax filer and claims Dependent. There was no evidence that Petitioner is over ■ years old; a Medicare recipient; or blind, disabled, or pregnant. Therefore, Petitioner is potentially eligible for under full-coverage HMP, Group 2 Caretaker (G2C), and/or PFFP MA coverage.

HMP and PFFP are MAGI-related MA programs, with HMP providing full coverage and PFFP (BEM 124, p. 1) providing limited coverage. G2C is not SSI-related or MAGI-related MA and is a program for parents and other caretaker relatives of dependent children, and is subject to a monthly deductible when the client has excess income. BEM 135 (October 2015), p. 1 – 2. While Petitioner may qualify for coverage under three MA programs, because HMP offers full MA coverage and does not have a deductible, it is a more beneficial coverage for Petitioner than the others.

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. 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, p. 5; 42 CFR 435.603(d)(1).

An individual's group size for MAGI purposes requires consideration of the client's tax filing status and because Petitioner is married, files taxes, and claims Dependent, for purposes of HMP, Petitioner has a fiscal group size of three. BEM 211 (October 2023), pp. 1 – 2. Beginning in January 2025, the annual FPL for a fiscal group of three is \$26,650, and the 5% disregard is \$1,333. 90 FR 5917 (January 2025), No. 2025-01377, pp. 5917-5918. 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.

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To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 1, 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, the Department did not introduce a budget or MAGI eligibility records but testified that it determined that Spouse had \$3,451.65 per month in MA income. There was no dispute that Petitioner had no additional income. A review of Spouse's paystubs reflects that the Department calculated his income based on his gross earnings, and not the federal taxable wages reported on his paystubs as required to determine MAGI-income. However, the evidence established that when Spouse's federal taxable wages were considered, his MAGI-income still exceeded \$3,064.75 per month. Therefore, the Department properly determined that Petitioner was ineligible for HMP due to excess income.

Clients with qualified tax dependents, such as Petitioner, who are ineligible for full-coverage MA coverage because of excess income, may still be eligible for G2C MA which is the next most beneficial MA coverage available to Petitioner; and provides for MA coverage with a monthly deductible. BEM 135, p. 2. The deductible for G2C MA is equal to:

- a) the amount of the individual's net income as set forth in BEM 536,
- b) minus allowable needs deductions set forth in BEM 544, and
- c) minus the applicable Group 2 MA protected income level (PIL).

BEM 105, p. 1; BEM 135, p. 2; BEM 500 (April 2022); BEM 530 (April 2020); BEM 536 (July 2019); BEM 544 (January 2020); BEM 545 (July 2022). The PIL is a set allowance for nonmedical need items such as shelter, food, and incidental expenses that is based on the county in which the client resides, and the client's fiscal MA group size. BEM 544, p. 1. For G2C MA, a married client, such as Petitioner, has a fiscal group of two.

BEM 211, pp. 8 – 9. The PIL for Wayne County, where Petitioner resides, is \$500 for a two-person fiscal group. RFT 200 (April 2017), p. 2; RFT 240 (December 2013).

In this case, the Department did not present any evidence to establish, or otherwise clearly explain, how it determined Petitioner's G2C MA deductible. Therefore, the Department failed to establish that it acted in accordance with Department policy when it determined Petitioner's G2C MA deductible.

It is also noted that during the hearing, the Department testified that it had received another request for hearing from Petitioner on or about July 31, 2025, and the request was made under the same Department case number. The Department testified that it had processed Petitioner's request and intimated that the request was forwarded to the Michigan Office of Administrative Hearings and Rules (MOAHR); but was unable to provide a date on which the request was transmitted. A review of MOAHR's records during the instant hearing did not reflect that a second request for hearing regarding Petitioner had been received. The Department was advised to take appropriate steps to ensure that Petitioner's request was fully processed.

Lastly, during the hearing, Petitioner testified that Spouse's employment is expected to end in the near future. Petitioner was advised to notify the Department directly of any changes in her circumstances as such changes may impact her eligibility for Department programs.

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 ineligible for HMP MA due to excess income, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for G2C MA, and any corresponding monthly deductible.

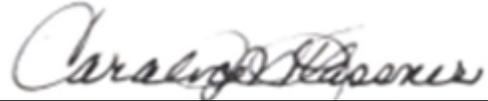
Accordingly, the Department's decision is **REVERSED**.

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 G2C MA eligibility effective May 1, 2025;
1. If eligible, provide Petitioner with the most beneficial MA coverage she was eligible to receive for May 1, 2025 ongoing;
2. Notify Petitioner of its decision in writing; and

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3. Fully process any subsequent requests for hearing received from Petitioner in accordance with BAM 600 (July 2025).



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

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:

Respondent

WAYNE-HAMTRAMCK-DHHS

12140 JOSEPH CAMPAU

HAMTRAMCK, MI 48212

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Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

