



Date Mailed: August 12, 2025

Docket No.: 25-018594

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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

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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; 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 July 21, 2025. Petitioner appeared for the hearing and was represented by his mother/Authorized Hearing Representative (AHR) [REDACTED]. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Rosemary Molsbee-Smith, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) benefits?

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 or around [REDACTED] 2025, Petitioner submitted an application requesting MA benefits. On the application, Petitioner reported that he is employed at Cedarbrook (Employer) an average of 34 hours per week and paid [REDACTED] per hour every two weeks. (Exhibit A, pp. 8-15)
 - a. Petitioner also alleged that he has a disability or a physical/menta/emotional health condition. Petitioner reported that he has fetal alcohol syndrome, autism, and obsessive compulsive disorder (OCD). (Exhibit A, pp. 8-15)
2. Petitioner confirmed that he is [REDACTED] years old, that he is not the parent/caretaker of any minor children, that he is not enrolled in Medicare, and that he has not been determined disabled through the Social Security Administration.
3. On or around March 6, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective February 1, 2025, ongoing, he was ineligible for MA benefits. The Department determined Petitioner had excess income for the Healthy Michigan Plan (HMP) and was not aged, blind, disabled, and not the parent/caretaker of a minor child. (Exhibit A, pp. 17-20)

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4. There was no evidence presented that the Department considered Petitioner's eligibility for MA under an SSI-related category based on his alleged disability.
 5. On or around May 5, 2025, Petitioner requested a hearing disputing the Department's actions. (Exhibit A, pp. 4-6)
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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.

In this case, Petitioner disputed the Department's determination that he was ineligible for MA benefits.

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, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (October 2023), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. 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.

At the hearing, the Department representative testified that after processing Petitioner's [REDACTED] 2025, MA application and based on the income information provided, the Department concluded that Petitioner had excess income for the Healthy Michigan Plan, which is a full coverage Modified adjusted gross income (MAGI-related) MA category.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not

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pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

Because Petitioner is under age 65 and does not qualify for Medicare, he is potentially eligible for full coverage MA under the HMP.

An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status and dependents. Family size means the number of persons counted as members of an individual's household. 42 CFR 435.603(b). The Department determined that for HMP purposes, Petitioner has a household size of one. The FPL for a group size of one in 2025, is [REDACTED] 133% of the annual FPL in 2025, for a household with one member is \$20,814.50. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed [REDACTED] and thus, the monthly income cannot exceed [REDACTED]. Additionally, Department policy provides that if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. MREM, § 7.2; BEM 500 (April 2022), pp. 3-5. With the 5% disregard applied, the household income limit is [REDACTED] or [REDACTED] monthly.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500 (April 2022), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. *Id.* To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, child care, or retirement savings. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>. When determining financial eligibility of current beneficiaries of MAGI-related MA, the State of Michigan has elected to base eligibility on current monthly income and family size. Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1, 2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018 available at https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf

At the hearing, the Department representative testified that it relied on information from the MA application as a client statement and paystubs submitted with the application and concluded that Petitioner had monthly MAGI of [REDACTED]. Specifically, the Department considered Petitioner's gross earnings of [REDACTED] received on February 25, 2025, as reflected on the paystub submitted for review. The Department testified that it also considered biweekly income of [REDACTED] based on Petitioner's client statement that he is paid [REDACTED] per hour and works 34 hours weekly. While the Department

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considered Petitioner's gross earnings, a review of the February 25, 2025, paystubs shows that Petitioner contributes towards his medical, dental, and vision coverage and that a portion of his gross income is deducted to cover those costs. Thus, the Department improperly considered Petitioner's gross income, when it should have considered Petitioner's federal taxable wages and taken into consideration his contributions towards health care coverage and other allowable deductions. Therefore, based on the evidence presented, the Department failed to show that it relied on the correct income information and thus, failed to establish that it properly denied Petitioner's HMP coverage due to excess income.

Additionally, in the event that Petitioner does have excess income for the HMP, the evidence showed that on his application, Petitioner alleged that he has a disability or a physical/menta/emotional health condition. Petitioner reported that he has fetal alcohol syndrome, autism, and obsessive compulsive disorder (OCD). As indicated above, MA is available under SSI-related categories to individuals who are disabled. If a client is not eligible for RSDI based on disability or blindness, the Disability Determination Service (DDS) determines and certifies disability. See BEM 260 (January 2023), pp. 1-5.

Although Petitioner's AHR confirmed that an application for disability benefits through the Social Security Administration had not been submitted, there was no evidence presented that the Department properly considered Petitioner's eligibility for MA under an SSI-related category based on his alleged disability or that Petitioner's alleged disability was assessed and evaluated by the DDS as required. The Department representative confirmed that because Petitioner is employed, his disability was not assessed. Therefore, in reprocessing Petitioner's application, the Department is to consider Petitioner's MA eligibility under first the HMP, and then, SSI-related categories.

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 did not act in accordance with Department policy when it processed Petitioner's [REDACTED] 2025, MA application.

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. Register and reprocess Petitioner's [REDACTED] 2025, MA application to determine Petitioner's MA eligibility under the most beneficial category;

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2. Provide Petitioner with MA coverage under the most beneficial category, that he was entitled to receive but did not from February 1, 2025, ongoing; and
3. Notify Petitioner and his AHR in writing of its decision.



ZAINAB A BAYDOUN
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
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