



**Date Mailed:** July 9, 2025

**Docket No.:** 25-018778

**Case No.:** [REDACTED]

**Petitioner:** [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.

[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 June 5, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Melissa Williams, Eligibility Specialist (ES).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-26.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP) and 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. Petitioner had a monthly deductible for MA coverage. (ES Testimony)
2. On [REDACTED] 2025, Petitioner submitted an application for MA which was considered a change application. Petitioner reported RSDI income of \$ [REDACTED] per month. (Exhibit A, pp. 1 and 6-11)
3. The Department verified and updated Petitioner's income from Social Security Administration (SSA) issued Retirement, Survivors, and Disability Insurance (RSDI) benefits with a State Online Query (SOLQ) report that showed the monthly RSDI benefit amount was \$ [REDACTED]. (Exhibit A, pp. 1 and 15)
4. The Department redetermined MA and FAP eligibility with the updated income. (Exhibit A, pp. 12-17)

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5. On April 3, 2025, a Notice of Case Action was issued stating Petitioner's FAP benefits would decrease to \$138.00 per month effective May 1, 2025. (Exhibit A, pp. 18-22)
  6. On April 4, 2025, a Benefit Notice was issued to Petitioner showing the monthly deductible for her MA benefits would increase to \$913.00 per month effective June 1, 2025. (Exhibit A, pp. 23-26)
  7. On April 4, 2025, Petitioner submitted a hearing request contesting the Department's determination. (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).

#### **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.

The Department counts the gross benefit amount of SSA issue RSDI as unearned income. BEM 503, January 1, 2025, p. 30.

For FAP, a shelter expense is allowed when the FAP group has a shelter expense or contributes to the shelter expense. BEM 554, (January 1, 2025), p. 14. Renter's insurance is not allowed. BEM 554, (January 1, 2025), p. 15. The heat/utility (h/u) standard covers all heat and utility costs including cooling, except actual utility expenses, for example, installation fees etc. FAP groups that qualify for the h/u standard do not receive any other individual utility standards. FAP groups whose heat is included in their rent may still qualify for the h/u standard. Some additional ways include but are not limited to, receipt of the Home Heating Credit (HHC) or a Low Income Home Energy Assistance Payment (LIHEAP). The amount of either payment must be greater than \$20 in the month of application or in the immediately preceding 12 months prior to the application month. BEM 554, pp. 17-18. FAP groups who pay for cooling (including

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room air conditioners) are eligible for the h/u standard if, they have the responsibility to pay for non-heat electric. BEM 554 pp. 18-19. FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards. Use the individual standard for each utility the FAP group has responsibility to pay. BEM 554 p. 22. The Department can also consider verified allowable medical expenses of a senior/disabled/veteran (SDV) member of the FAP group. BEM 554, pp. 9-13.

In this case, Petitioner's income was updated after she submitted an application for MA, which affected her eligibility for FAP benefits.

The Department verified and updated Petitioner's income from SSA issued RSDI benefits with a SOLQ report that showed the monthly RSDI benefit amount was \$[REDACTED]. (Exhibit A, pp. 1 and 15). The Department redetermined FAP eligibility with the updated income. (Exhibit A, pp. 12-16). The Department noted there were no changes with expenses reported. (Exhibit A, p. 1). On April 3, 2025, a Notice of Case Action was issued stating Petitioner's FAP benefits would decrease to \$138.00 per month effective May 1, 2025. (Exhibit A, pp. 18-22).

The FAP budget was reviewed with the parties during the hearing and no errors were found. For example, the monthly housing expense is based on the verification of the annual property taxes and homeowners insurance. (ES and Petitioner Testimony). Accordingly, the determination to reduce Petitioner's monthly FAP benefit amount is upheld.

## **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.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit

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for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are [REDACTED] 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; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1.

Group 2 aged, blind, and disabled (Group 2 MA) is an SSI related MA category that available to a person who is aged (65 or older), blind or disabled. BEM 105, January 1, 2024, p. 5; BEM 166, April 1, 2017, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

The Department counts the gross benefit amount of SSA issued RSDI benefits as unearned income when determining eligibility. BEM 503, January 1, 2025, p. 30. For MA, the Department disregards the annual cost of living increase for RSDI for January, February, and March. BEM 503, pp. 30-31.

The Department utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. Macomb County is part of Shelter

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Area VI, which has a PIL of \$408.00 for a group size of one. RFT 200, April 1, 2017, p. 3 and RFT 240, December 1, 2013, p. 1.

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For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus ½ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2025, pp. 1-7.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, July 1, 2022, p. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12.

There are four categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); Additional Low-Income Medicare Beneficiaries (ALMB); and Non-Categorically Eligible Michigan Beneficiary (NMB). Income is the major determiner of category. For QMB net income cannot exceed 100% of poverty. For SLMB net income is over 100% of poverty, but not over 120% of poverty. For ALMB net income is over 120% of poverty, but not over 135% of poverty. For NMB, income and assets above allowed ALMB limits but have full coverage Medicaid with Medicare part A/B entitlement. BEM 165, July 1, 2024, p. 1.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) and the MSP categories. Effective April 1, 2025, for a group size of one the income limit for MA-AD and QMB is \$1,325.00; for SLMB the income limit is \$1,325.01 to \$1,585.00; and for ALMB the income limit is \$1,585.01 to \$1,781.00. The RFT 242 policy notes that these amounts are the applicable percentage of the federal poverty limit plus the \$20.00 disregard for RSDI income. RFT 242, April 1, 2025, p. 1.

In this case, Petitioner submitted an application for MA on March 3, 2025, which was considered a change application. (Exhibit A, pp. 1 and 6-11). The Department verified and updated Petitioner's income from SSA issued RSDI benefits with a SOLQ report that showed the monthly RSDI benefit amount was \$ [REDACTED]. (Exhibit A, pp. 1 and 15). The Department determined that Petitioner's monthly deductible for her MA coverage

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would increase to \$913.00. (Exhibit A, p. 17). The ES also confirmed that Petitioner has been approved for the MSP since 2022. (ES Testimony).

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Petitioner's gross monthly income from RSDI benefits, \$ [REDACTED], exceeds the income limit for full coverage MA under the MA-AD Care category for a group size of one of \$1,325.00. See RFT 242, April 1, 2025, p. 1.

The Department then calculated a monthly deductible for Petitioner. The Department considered the \$20.00 disregard as well as the PIL of \$408.00. The Department would not have considered the COLA exclusion because the months eligibility was being determined for were after January, February, and March 2025. There was no evidence that Petitioner had any of the other allowable deductions (court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, an earned income disregard of \$65.00 plus ½ of the remaining earnings, or Guardianship/Conservator expenses). Accordingly, the Department determined that Petitioner's monthly deductible for her MA coverage would be \$913.00. (Exhibit A, p. 17).

Petitioner testified that she was previously eligible for MA with no monthly deductible. (Petitioner Testimony). The ES confirmed that Petitioner was previously approved for MA under the HMP category. However, because Petitioner is eligible for Medicare, she is no longer eligible for MA under the HMP category pursuant to the above cited BEM 137 policy. As discussed, due the COVID 19 public health emergency, there were special rules in place that allowed Petitioner to remain eligible without the monthly deductible until her case was up for redetermination following the end of the public health emergency. (ES Testimony).

This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies, which include the income limit for MA-AD Care. Based on the available income information, the Department properly determined Petitioner was eligible for MA with a monthly deductible of \$913.00.

### **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's eligibility for FAP and MA benefits.

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

25-018778

*Colleen Lack*

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**COLLEEN LACK  
ADMINISTRATIVE LAW JUDGE**

25-018778

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**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](mailto: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**

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**Interested Parties**

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**Via First Class Mail:**

**Petitioner**

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