



Date Mailed: June 13, 2025

Docket No.: 25-018842

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.

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Case No.: [REDACTED]

Petitioner: [REDACTED]

HEARING DECISION

On May 16, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute public assistance benefits. As a result, a hearing was scheduled to be held on June 10, 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 appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Family Independence Manager Ryan Clemons appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 72-page packet of documents provided by the Department was admitted into evidence collectively as Exhibit A.

ISSUE

Did the Department properly close Petitioner's Food Assistance Program (FAP) benefits and Medicaid?

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 not married.
2. Petitioner does not have any tax dependents.
3. Petitioner purchases and prepares food separately from her roommate.
4. On April [REDACTED] 2025, Petitioner notified the Department that she started a job on April [REDACTED] 2025. Petitioner informed the Department that she was employed in a seasonal and temporary position by [REDACTED] [REDACTED] she was working 35 hours per week on average, and her pay rate was \$ [REDACTED] per hour.

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5. Petitioner provided the Department with the following paystubs from [REDACTED]
 - a. Paystub for an April 25, 2025, pay date that showed Petitioner received gross pay of \$[REDACTED] for 74.6 hours.
 - b. Paystub for a May 9, 2025, pay date that showed Petitioner received gross pay of \$[REDACTED] for 87.83 hours.
 6. On May [REDACTED] 2025, the Department received a completed verification of employment form from [REDACTED] [REDACTED] [REDACTED] [REDACTED] reported that Petitioner was expected to work 20-40 hours per week, Measurement Incorporated was paying Petitioner biweekly, Petitioner's pay rate was \$[REDACTED] per hour, Petitioner's employment was expected to end in June 2025, [REDACTED] paid Petitioner the gross amount of \$[REDACTED] on April 25, 2025, for 74.6 hours, and Measurement Incorporated paid Petitioner the gross amount of \$[REDACTED] on May 9, 2025, for 87.83 hours.
 7. The Department processed Petitioner's reported change in income, the Department determined that Petitioner was receiving \$[REDACTED] per month in earned income, and the Department determined that Petitioner's income exceeded the limit to be eligible for FAP benefits and Medicaid.
 8. On May [REDACTED] 2025, the Department mailed a notice of case action to Petitioner to notify her that her FAP benefits were going to close effective June 1, 2025, because her gross income exceeded the applicable limit.
 9. On May [REDACTED] 2025, the Department mailed a healthcare coverage determination notice to Petitioner to notify her that she was ineligible for Medicaid effective June 1, 2025, because her income exceeded the applicable limit.
 10. Petitioner requested a hearing to dispute the Department's decision to find her ineligible for FAP benefits and Medicaid.

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

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The Food Assistance Program (FAP) 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

When a client receives earned income, the Department must convert the client's earned income to a standard monthly amount. The Department starts by determining the client's gross earned income based on the client's income from the past 30 days (if it appears to accurately reflect what is expected to be received in the benefit month). BEM 505 (June 1, 2025), p. 6. The Department must discard all pay from the past 30 days that does not reflect the normal expected pay amounts. *Id.* In this case, Petitioner reported that she was working 35 hours per week, and [REDACTED] reported that Petitioner was working 20-40 hours per week. Petitioner and [REDACTED] provided paystubs showing that [REDACTED] paid Petitioner \$[REDACTED] on April 25, 2025, for 74.6 hours, and [REDACTED] paid Petitioner \$[REDACTED] on May 9, 2025, for 87.83 hours. Since the \$[REDACTED] pay was for more hours than what Petitioner and [REDACTED] reported that Petitioner was working, it did not reflect the normal expected pay amount, so it should be discarded. Therefore, Petitioner's income must be determined based on her remaining paystub showing she received \$[REDACTED]. [REDACTED] paid Petitioner biweekly, and biweekly income is converted to a standard monthly amount by multiplying it by 2.15. *Id.* at 8-9. Petitioner's gross income of \$[REDACTED] multiplied by 2.15 equals \$[REDACTED]. Thus, Petitioner's standard monthly income amount is \$[REDACTED]. Therefore, the Department properly determined Petitioner's income when it determined that it was \$[REDACTED] per month.

Petitioner asserted that her income should be less because it was seasonal and temporary. FAP benefits are determined on a monthly basis. *Id.* at 1. The Department properly determined Petitioner's income by determining the amount that Petitioner was expected to receive for the benefit month. If Petitioner's income changes, then Petitioner should notify the Department, and the Department will redetermine Petitioner's income.

The 200% gross income limit for categorically eligible groups applied to Petitioner. BEM 213 (October 1, 2024), p. 1. The 200% gross income limit was \$2,510.00 per month for a household size of one. RFT 250 (October 1, 2024). Gross household income is the total of all earned and unearned income that a household receives. 7 CFR 273.10(e)(1)(i)(A) and 7 CFR 273.10(e)(2)(B). Petitioner's gross household income exceeded the applicable income limit to be eligible for FAP benefits. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits because her income exceeded the applicable limit. Accordingly, the Department's decision is affirmed.

MEDICAID

Medicaid is 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.

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 one because Petitioner is not married and Petitioner does not claim any dependents.

The FPL for a household size of one in 2025 is \$15,650.00. 90 FR 5917 (January 17, 2025). Since the applicable FPL is \$15,650.00, 133% of the FPL is \$20,814.50, and 133% with a 5% disregard is \$22,597.00. Thus, the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$22,597.00 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

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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.

As stated in the FAP benefits section above, Petitioner's income was \$[REDACTED] per month. This is equal to \$33,300.00 per year. Medicaid eligibility is determined on a calendar month basis. BEM 105 (January 1, 2024). The Department must assume that conditions that exist during the calendar month being tested to determine Medicaid eligibility will remain unchanged unless the Department has information that indicates otherwise. *Id.* at 2. Petitioner and [REDACTED] [REDACTED] reported that Petitioner's employment is temporary, so the Department had information that Petitioner's employment would come to an end. However, that does not mean that Petitioner will cease to earn income. There is no reason why Petitioner could not obtain other employment at a similar pay rate after the conclusion of her employment with [REDACTED] [REDACTED]. Thus, it was proper for the Department to assume that the conditions that existed during the calendar month it tested will remain unchanged. If Petitioner's income changes, then Petitioner should notify the Department, and the Department will redetermine Petitioner's income.

Petitioner's income of \$33,300.00 per year exceeded the applicable income limit. Therefore, the Department properly determined that Petitioner was ineligible for Medicaid because her income exceeded the applicable limit. Accordingly, the Department's decision is affirmed.

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 closed Petitioner's FAP benefits and Medicaid.

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.

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Via Electronic Mail:

Respondent

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HOLDENM

SCHAEFERM

EQADHEARINGS

BSC4HEARINGDECISIONS

Via First Class Mail:

Petitioner

[REDACTED]