



**Date Mailed:** June 20, 2025

**Docket No.:** 25-019584

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

This is an important legal document. Please have someone translate the document.

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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.

这是一份重要的法律文件。请让别人翻译文件。

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

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**Case No.:** [REDACTED]

**Petitioner:** [REDACTED] [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 12, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Melissa Williams, Eligibility Specialist.

### **ISSUE**

Did the Department properly close Petitioner's Food Assistance Program (FAP) case?

Did the Department properly close Petitioner's Medical Assistance (MA) case?

### **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 was an ongoing recipient of FAP benefits in the amount of \$[REDACTED] per month for a household size of one.
2. Petitioner was an ongoing recipient of MA benefits under the Healthy Michigan Plan (HMP).
3. On April [REDACTED] 2025, the Department received an FAP Assistance Application from Petitioner. Since Petitioner was already an ongoing recipient of FAP and MA benefits, the Department processed the application as a redetermination. Petitioner reported employment with [REDACTED] (Employer). Petitioner reported that her total income was \$[REDACTED] with housing expenses of \$[REDACTED]. Petitioner also indicated that she was responsible for paying household utilities. Exhibit A, pp. 7-13.
4. On May [REDACTED] 2025, the Department completed a FAP redetermination phone interview with Petitioner. During the interview, Petitioner reported that she was hired on at Employer working 30 hours per week but recently her hours had increased due to staffing issues. Petitioner reported that her hours would be going back to 30 hours per week soon. The Department informed her to submit a change report should her

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work hours decrease so that her eligibility for FAP benefits could be redetermined. Exhibit A, pp. 14-20.

5. On May ■ 2025, the Department sent Petitioner a Verification Checklist requesting verifications related to her employment including the last 30 days of check stubs or earnings statements. Exhibit A, pp. 21-23.
6. On May 5, 2025, the Department received pay stubs from Petitioner, which noted the following:

<u>Pay Date</u>	<u>Gross Earnings</u>
April 1, 2025	\$■
April 15, 2025	\$■
April 29, 2025	\$■

Exhibit A, pp. 24-26.

7. On May ■ 2025, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that her MA case would close effective June 1, 2025, due to her countable income exceeding the income limit for a group size of one. The Notice identified Petitioner's annual income as \$■ for MA purposes. Exhibit A, pp. 31-34.
8. On May ■ 2025, the Department sent Petitioner a Notice of Case Action informing her that she was no longer eligible for FAP benefits effective May 1, 2025, due to her gross income exceeding the income limit for a group size of one. The Notice identified Petitioner's monthly gross income as \$■ for FAP purposes and indicated that the monthly income limit was \$1,632. Exhibit A, pp. 35-39.
9. On May 16, 2025, the Department received Petitioner's request for hearing disputing the closure of her FAP and MA cases. 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).

#### **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

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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.

MA is available (i) to individuals who are aged (65 or older), blind or disabled under SSI-related categories, (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. BEM 105 (January 2020), p. 1. HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (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 pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137 (January 2020), p. 1; Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, § 1.2.

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

In this case, the Department concluded that Petitioner was not eligible for HMP due to having countable income that exceeded the applicable income limit for Petitioner's group size. 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. In this case, Petitioner filed taxes single with no dependents. Therefore, for HMP purposes, Petitioner has a household size of one. BEM 211 (October 2023), pp. 1-2.

The annual FPL for a household size of one in 2025 is \$15,650. CFR 3424 (January 2024). 133% of the annual FPL in 2025 (the most current applicable FPL) for a household with one member \$20,814. See <https://aspe.hhs.gov/poverty-guidelines>. a 5% disregard that increases the income limit by an amount equal to 5% of the FPL for the group size is available to make eligible those individuals who would otherwise not be eligible. BEM 500 (April 2022), p. 5. The 5% disregard would increase the HMP annual income limit for Petitioner to \$21,597. Therefore, to be income-eligible for HMP, Petitioner's annual income cannot exceed \$21,597, or \$1,780 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, p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. 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. AGI is found on IRS tax form 1040, 1040-SR or 1040-NR at line 11. Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household

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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, childcare, or retirement savings. See <https://www.healthcare.gov/income-and-household-information/how-to-report/> MDHHS considers current monthly income and family size (except for individuals who report seasonal work and complete a projected annual income field on the MA application to show work for only a portion of the year with reasonably predictable changes in income within the upcoming 12 months). 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](https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf)

When the Department determined that Petitioner was over the income limit for HMP, it based Petitioner's income on earned income reported. The Department noted earned income for Petitioner in the amount of \$[REDACTED] per month, or \$[REDACTED] annually. Exhibit A, p. 27. Based on Petitioner's earned income, and even with the 5% disregard, Petitioner's household income is over the HMP elevated monthly and annual threshold for HMP eligibility. Therefore, the Department properly concluded that Petitioner was not eligible for HMP based on her income.

### **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.

Petitioner disputed the Department's determination that she is no longer eligible for FAP benefits due to her gross income exceeding limit for her group size.

FAP eligibility is based on a client's gross income. Gross income is the amount of income before any deductions. FAP eligibility is based on the client's group size, countable monthly income, and relevant monthly expenses. BEM 556 outlines the factors and calculations required to determine FAP eligibility. In determining Petitioner's FAP eligibility, the Department factored a group size of one, which included Petitioner only. Petitioner did not dispute the group size.

To determine whether the Department properly determined that Petitioner was ineligible for FAP benefits due to her gross income, it is necessary to evaluate the household's countable income. BEM 500 (April 2022), pp. 1-5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (October 2022), p. 1. For the purposes of FAP, the Department must convert income that is received more often than monthly into a standard monthly amount. BEM 505, pp. 8-9.

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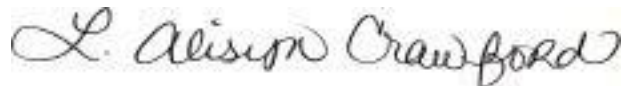
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The Department presented a FAP-EDG Net Income Results budget that was discussed on the record. Based on Petitioner's paystubs, the Department budgeted \$[REDACTED] in countable earned income for Petitioner. Petitioner did not dispute this amount. Based on Petitioner's gross earned income amount, she exceeds the monthly gross income limit of \$1,632 for a household of one. RFT 250 (October 2024), p. 1. Therefore, the Department properly determined that Petitioner was ineligible for FAP benefits effective May 1, 2025, based on excess gross earned income.

At the hearing, Petitioner testified that she experienced a temporary increase in her work hours; however, she indicated that her work schedule will be returning to 30 to 32 hours per week. Petitioner was advised that she has the option of reapplying for FAP benefits should her work hours decrease.

### **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 that Petitioner was not eligible for MA and FAP benefits due to excess income.



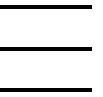
**L. ALISYN CRAWFORD**  
**ADMINISTRATIVE LAW JUDGE**

**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](http://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:**

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**Via First Class Mail:**

**Petitioner**

[REDACTED]  
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