



Date Mailed: August 7, 2025

Docket No.: 25-020182

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 July 8, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Caleb Nygren, Hearing Facilitator (HF).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-82.

ISSUE

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

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 February 11, 2025, a Redetermination form was submitted for the MA case adding three children and a disability was reported for the [REDACTED] year-old son (TS). (Exhibit A, pp. 9-13)
2. On March 13, 2025, a Verification Checklist was issued requesting verification of banking accounts and income with a due date of March 24, 2025. (Exhibit A, pp. 14-15)
3. On March 13, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part approving full coverage MA for TS under the Group 2 Under Age [REDACTED] (G2U) category from December 1, 2021 to January 31, 2022 as well as March 1, 2025 and ongoing. (Exhibit A, pp. 3 and 16-19)
4. On April 28, 2025, a Health Care Coverage Determination Notice denying MA for TS for July 1, 2024 and ongoing. The worker closed the MA G2U case because the requested verifications were not received. (Exhibit A, pp. 3, 20-23, and 82)

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5. On May 6, 2025, banking statements and employment verifications were submitted to the Department. (Exhibit A, pp. 3 and 24-38)
 6. On May 13, 2025, Petitioner contacted the Department about the MA for TS and indicated that because the Verification Checklist and MA approval notice were issued the same day, she did not understand that the verifications were still due. (Exhibit A, p. 52)
 7. On May 13, 2025, a Federally Facilitated Marketplace (FFM) application for MA was submitted for TS. (Exhibit A, pp. 39-54)
 8. On May 19, 2025, a Verification Checklist was issued requesting verification of income, specifically the May 8, 2025 paycheck stub, with a due date of May 29, 2025. (Exhibit A, pp. 55-56)
 9. On May 19, 2025, a Health Care Coverage Supplemental Questionnaire was submitted. (Exhibit A, pp. 57-60)
 10. On May 19, 2025, paycheck verifications and a 2024 federal income tax return were submitted. (Exhibit A, pp. 62-75)
 11. On May 19, 2025, Petitioner filed a hearing request contesting the MA determination for TS. (Exhibit A, pp. 5-7)
 12. On May 23, 2025, MA eligibility was reviewed. It was noted that Petitioner only claims TS on her tax return, making the group composition 2 for MA under the Flint Water Group category. The Department determined the group's income was \$ [REDACTED] per year, which exceeds the \$84,600.00 limit for MA under the Flint Water Group category. (Exhibit A, pp. 4 and 81).
 13. On May 23, 2025, a Health Care Coverage Determination Notice was issued approving full coverage MA for TS under the G2U category for May 1, 2025 and ongoing. (Exhibit A, pp. 76-78)
 14. On May 29, 2025, the HF found that there was no deductible for the MA G2U. In the electronic case record, the income accessibility question was answered "no" which would exclude the income from being counted for MA. There is no documentation in the case record stating that the income would not be accessible, so the answer to the income accessibility question was changed to "yes." This resulted in a \$7,929.00 deductible for the MA G2U for TS starting July 1, 2025. (Exhibit A, pp. 4 and 79-80)

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

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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.

The Medicaid program comprise several sub-programs or categories. BEM 105, January 1, 2024, p. 1.

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. BEM 105, January 1, 2024, 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.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

Flint Water Group is a MAGI-related MA category. Household income cannot exceed 400% of Federal Poverty Level (FPL). BEM 148, May 1, 2016, p. 1.

Group 2 Under 21 is a non-MAGI MA category. BEM 105, January 1, 2024, p. 2. Medicaid is available to a person who is under age 21 and meets the eligibility factors in

this item. All eligibility factors must be met in the calendar month being tested. BEM 132, April 1, 2018, pp. 1-2. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. Apply the Medicaid policies in BEM 500, 530 and 536 to determine net income. If the net income exceeds Group 2 needs, Medicaid eligibility is still possible. See BEM 545. BEM 132, April 1, 2018, p. 2.

For the Group 2 Under 21 category, a fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. Since how a client's income must be considered may differ among family members, special rules are used to prorate a person's income among the person's dependents, and themselves. BEM 536 July 1, 2019, p. 1. The BEM 536 policy outlines the 16 step process to determine a fiscal group member's income. BEM 536, July 1, 2019, pp. 1-7.

The size of the household will be determined by the principles of tax dependency in the majority of cases. Parents, children and siblings are included in the same household. Parents and stepparents are treated the same. Individual family members may be eligible under different categories. For MAGI related MA categories, such as Flint Water Group, the group composition follows tax filer and tax dependent rules. BEM 211, October 1, 2023, p. 1. For G2U group composition, A child's fiscal group is the child and the child's parents. BEM 211, p. 8.

When determining Group 2 needs, the Department utilizes a protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA PILs based on shelter area and fiscal group size. RFT 200 lists the counties in each shelter area. The Department can count the cost of any health insurance premiums as a need item. BEM 544, January 1, 2020, p. 1. Genesee county is part of shelter area VI. RFT 200, April 1, 2017, p. 3. In shelter area VI, for a group size of 2 the PIL is \$541.00. RFT 240, December 1, 2013, p. 1.

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.

The Department counts the gross wage amount as earned income. BEM 501, January 1, 2024, p. 7.

In March 2025, the 2024 FPL was still in effect. The 2024 FPL for the 48 contiguous states and the District of Columbia for a group size of two is an annual income of \$20,440. Accordingly, 400% of FPL is \$81,760 for a group size of two. Divided by 12, this would equate to \$6,813.33 per month. Effective April 1, 2025, the 2025 FPL was in effect. The 2025 FPL for the 48 contiguous states and the District of Columbia for a

group size of two is an annual income of \$21,150. Accordingly, 400% of FPL is \$84,600 for a group size of two. Divided by 12, this would equate to \$7,050 per month.

On February 11, 2025, a Redetermination form was submitted for the MA case adding three children and a disability was reported for the 6-year-old son (TS). (Exhibit A, pp. 9-13).

On March 13, 2025, a Verification Checklist was issued requesting verification of banking accounts and income with a due date of March 24, 2025. (Exhibit A, pp. 14-15). On March 13, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part approving full coverage MA for TS under the G2U category from December 1, 2021 to January 31, 2022 as well as March 1, 2025 and ongoing. (Exhibit A, pp. 3 and 16-19). It is unclear why an MA eligibility determination was made for the period of December 1, 2021 to January 31, 2022.

On April 28, 2025, a Health Care Coverage Determination Notice denying MA for TS for July 1, 2024 and ongoing. The worker closed the MA G2U case because the requested verifications were not received. (Exhibit A, pp. 3, 20-23, and 82). It is noted that the actual denial reason was not included on the Health Care Coverage Determination Notice. Further, there was nothing found in policy to support the denial being retroactive to July 2, 2024.

On May 6, 2025, banking statements and employment verifications were submitted to the Department. (Exhibit A, pp. 3 and 24-38).

On May 13, 2025, Petitioner contacted the Department about the MA for TS and indicated that because the Verification Checklist and MA approval notice were issued the same day, she did not understand that the verifications were still due. (Exhibit A, p. 52). On May 13, 2025, a FFM application for MA was submitted for TS. (Exhibit A, pp. 39-54).

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On May 23, 2025, MA eligibility was reviewed. It was noted that Petitioner only claims TS on her tax return, making the group composition 2 for MA under the Flint Water Group category. The Department determined the group's income was \$ [REDACTED] per year, which exceeds the \$84,600.00 limit for MA under the Flint Water Group category. (Exhibit A, pp. 4 and 81). On May 23, 2025, a Health Care Coverage Determination Notice was issued approving full coverage MA for TS under the G2U category for May 1, 2025 and ongoing. (Exhibit A, pp. 76-78).

On May 29, 2025, the HF found that there was no deductible for the MA G2U. In the electronic case record, the income accessibility question was answered “no”, which would exclude the income from being counted for MA. There is no documentation in the case record stating that the income would not be accessible, so the answer to the income accessibility question was changed to “yes.” This resulted in a \$7,929.00 deductible for the MA G2U for TS starting July 1, 2025. (Exhibit A, pp. 4 and 79-80).

Overall, the evidence shows that numerous mistakes were made when determining MA eligibility for TS. It is unclear why some of the determinations were made effective for retroactive dates and a system error appears to have occurred regarding whether the income was accessible. Accordingly, MA eligibility for TS should be redetermined as of the various effective dates on the Health Care Coverage Determination Notices.

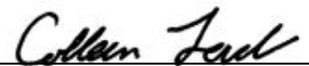
DECISION AND ORDER

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 determined Petitioner’s son’s eligibility for MA.

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. If they have not already done so, redetermine Petitioner’s son’s eligibility for MA as of the effective dates on the Health Care Coverage Determination Notices in accordance with Department policy.



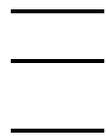
COLLEEN LACK
ADMINISTRATIVE LAW JUDGE

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

GENESEE COUNTY DHHS UNION ST DIST
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FLINT, MI 48501

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Via First Class Mail:

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