



Date Mailed: September 8, 2025
Docket No.: 25-020881
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED] MI [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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Docket No.: 25-020881

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; 42 CFR 438.400 to 438.424; 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 by telephone on August 14, 2025. Petitioner's spouse, [REDACTED] (Spouse), appeared and represented herself. The Department of Health and Human Services (Department) was represented by Rodney Turner, Assistance Payments Supervisor, and Mary Stewart, Eligibility Specialist.

ISSUE

Did the Department properly determine Spouse's eligibility for Medicaid (MA) effective April 1, 2025?

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 [REDACTED] 2025, the Department received a completed application for MA from Petitioner for himself, Spouse, and their three minor children (Children). Petitioner and Spouse are tax filers, and Petitioner reported the following employment and household income:
 - a. Petitioner's employment with [REDACTED] (PF), working an average of 40 hours per week, that he earns \$ [REDACTED] per hour, and is paid weekly, and
 - b. Spouse's employment with [REDACTED] (RT), working an average of 16 hours per week, that she earns \$ [REDACTED] per hour, and is paid bi-weekly.(Exhibit A, pp. 8 – 15).
2. On April 11, 2025, the Department sent Petitioner a Verification Checklist (VCL) that requested Petitioner provide verification of his own medical expenses, and Spouse's wages for the last 30 days, by April 21, 2025. (Exhibit A, pp. 16 – 17).

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3. On April 17, 2025, the Department received an employment verification form completed by RT and that included Spouse's three most recent paystubs. (Exhibit A, pp. 18 – 19, 24 – 26).
 4. On April 22, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Spouse and Children for MA coverage as follows:
 - a. Spouse was approved for:
 - 1) April 1, 2025 ongoing for Plan First Family Planning (PFFP),
 - 2) April 1, 2025 to April 30, 2025, for MA subject to a monthly deductible of \$2,050, and
 - 3) May 1, 2025 ongoing for MA subject to a monthly deductible of \$2,163.
 - b. Children were all approved for full coverage MICHild MA.(Exhibit A, pp. 28 – 29).
 5. On May 8, 2025, the Department received Petitioner's four most recent paystubs from his employment with PF. (Exhibit A, pp. 20 – 23).
 6. On May 19, 2025, the Department sent Petitioner a HCCDN that approved him for MA coverage as follows:
 - a. April 1, 2025 ongoing for Plan First Family Planning (PFFP),
 - b. April 1, 2025 to April 30, 2025, for MA subject to a monthly deductible of \$2,069,
 - c. May 1, 2025 to May 31, 2025, for MA subject to a monthly deductible of \$2,026, and
 - d. June 1, 2025 ongoing for MA subject to a monthly deductible of \$2,054.(Exhibit A, pp. 32 – 33).
 7. On May 27, 2025, the Department received a request for hearing from Spouse, disputing the Department's determination of her MA eligibility. (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 25-020881

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.

Spouse requested a hearing to dispute the Department's determination regarding her MA coverage, and confirmed at the beginning of the hearing that her dispute concerned her own MA coverage only. On April 22, 2025, the Department approved Spouse for MA coverage effective April 1, 2025, for PFFP and MA subject to a monthly deductible.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1; BEM 137 (January 2024), p. 1. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category. BEM 124 (July 2023), p. 1.

Here, Spouse is a married tax filer and has three minor dependent children. There was no evidence that Spouse is over age 65, disabled, or receiving Medicare. Based on Spouse's circumstances, she is potentially eligible for coverage under HMP MA, Group 2 Caretaker Relative (G2C) MA, and/or PFFP.

HMP and PFFP are MAGI-related MA programs, with HMP providing full coverage and PFFP providing limited coverage. G2C is not SSI-related or MAGI-related MA and is a Group 2 program for parents and other caretaker relatives of dependent children, and subject to an individual monthly deductible for each eligible recipient when the group has excess income. BEM 135 (October 2015), p. 1 – 2. While Spouse may qualify for coverage under three MA programs, because HMP offers full MA coverage and does not have a deductible, it is a more beneficial coverage for her than the others.

To qualify for health care coverage under HMP, the individual must:

- be 19 – 64 years of age,
- not qualify for or be enrolled in Medicare,
- not qualify for or be enrolled in other Medicaid programs,

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- not be 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) applicable to the individual's group size.

BEM 137, p. 1.

An individual's group size for MAGI purposes requires consideration of the client's tax filing status and there was no dispute that Petitioner and Spouse file taxes and have a fiscal tax group of five. BEM 211 (October 2023), pp. 1 – 2.

In 2025, the FPL for a fiscal group of five is \$37,650, and the 5% disregard is \$1,883. 90 FR 5917 (January 2025), No. 2025-01377, pp. 5917-5918. Based on the FPL, the HMP income limit for a fiscal group of five is \$50,074.50 annually, or \$4,172.88 per month. Additionally, for MAGI-related plans, a 5% disregard is available to make individuals eligible, who would otherwise not be eligible, and increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500 (April 2022), p. 5. With the 5% disregard, the total income limit for HMP, is \$51,957, or \$4,329.75 per month.

To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 1, 3 – 4. MAGI is based on Internal Revenue Service rules and relies on federal tax information from current income sources. BEM 500, pp. 3 – 4; see also 42 CFR 435.603(h)(1),(2).

The Department uses current monthly income, and reasonably predictable changes in income, to calculate a client's MAGI-income. (MAGI-Based Income Methodologies (SPA 17-0100), eff. 11/01/2017, app. 03/13/2018); 42 CFR 435.603(h). MAGI-income is calculated for each income earner in the household by using the "federal taxable wages" reported on earner's paystubs or, if federal taxable wages are not reported on the paystub, by using "gross income" minus amounts deducted by the employer for child care, health coverage, and retirement plans. To determine countable income from self-employment for MAGI-related MA, the Department must use the adjusted gross income (AGI) as declared on the federal income tax return. BEM 502 (June 2024), p. 3. A client's tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest, if any, from the client's tax return are added back to the client's adjusted gross income (AGI) to determine MAGI-income. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

Here, the Department introduced a MAGI eligibility determination document that reflected that it determined that Petitioner had \$[REDACTED] per month in MAGI-income, and Spouse had \$[REDACTED] per month in MAGI-income. (Exhibit A, p. 38). However, a review of Petitioner's paystubs established that the total gross pay from the paystubs is not consistent with the Department's calculation. Additionally, the paystubs reflect that PF

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identifies the federal taxable wages on each of his paystubs and the Department testified that it did not use the federal taxable wage amounts from Petitioner's paystubs to determine his MAGI-income. Therefore, because the Department did not calculate Petitioner's MAGI-income in accordance with Internal Revenue Service rules and Department policy, it did not satisfy its burden of showing that it acted in accordance with policy when it determined Spouse's MA eligibility effective April 1, 2025 ongoing.

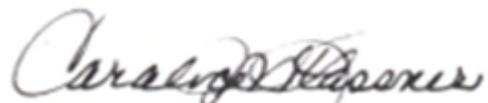
DECISION AND ORDER

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 satisfy its burden of establishing that it acted in accordance with Department policy when it determined Spouse's MA eligibility effective April 1, 2025 ongoing.

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. Redetermine Spouse's MA eligibility for April 1, 2025 ongoing;
1. If eligible, provide Spouse with the most beneficial MA coverage she was eligible to receive for April 1, 2025 ongoing; and
2. Notify Petitioner of its decision in writing.



**CARALYCE M. LASSNER
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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