



Date Mailed: August 7, 2025

Docket No.: 25-024551

Case No.: [REDACTED]

Petitioner: [REDACTED]

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

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দার্শাবেজ 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

On June 18, 2025, Petitioner [REDACTED] requested a hearing to dispute a Medicaid determination. As a result, a hearing was scheduled to be held on August 5, 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 Hearings Coordinator Rachel Meade appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 64-page packet of documents provided by the Department was admitted collectively as Exhibit A.

ISSUE

Did the Department properly determine Petitioner's Medicaid eligibility?

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 April [REDACTED] 2025, Petitioner submitted an application form to the Department to apply for Medicaid. Petitioner reported the following pertinent information in the application form:
 - a. Petitioner reported that she has a household size of one.
 - b. Petitioner reported that she was not married.
 - c. Petitioner reported that she did not have any tax dependents.
 - d. Petitioner reported she did not have a disability.
 - e. Petitioner reported that she was employed at [REDACTED] [REDACTED]

f. Petitioner reported that [REDACTED] paid her \$[REDACTED] per hour, she worked an average of 37 hours per week, and she received her pay biweekly.

2. Petitioner provided numerous paycheck stubs to the Department as proof of her income. Those paycheck stubs showed that Petitioner received the following gross income:

- a. \$870.62 paid January 17, 2025.
- b. \$997.76 paid January 31, 2025.
- c. \$1,158.16 paid February 14, 2025.
- d. \$648.88 paid February 28, 2025.
- e. \$1,079.68 paid March 14, 2025.
- f. \$1,109.60 paid March 28, 2025.
- g. \$1,027.65 paid April 11, 2025.
- h. \$850.49 paid April 25, 2025.

3. The Department determined that Petitioner's modified adjusted gross income (MAGI) exceeded the applicable income limit to be eligible for full-coverage Medicaid.

4. On May [REDACTED] 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was ineligible for Medicaid, effective June 1, 2025.

5. Petitioner requested a hearing to dispute the Department's determination.

6. Petitioner provided additional paycheck stubs to the Department as proof of her income. Those paycheck stubs showed that Petitioner received the following gross income:

- a. \$1,009.05 paid May 9, 2025.
- b. \$851.42 paid May 23, 2025.
- c. \$877.61 paid June 6, 2025.
- d. \$954.34 paid June 20, 2025.

7. The Department reviewed Petitioner's additional paystubs and determined that Petitioner's MAGI still exceeded the applicable income limit to be eligible for full-coverage Medicaid.

8. On June █ 2025, the Department mailed a health care coverage determination notice to Petitioner to notify her that she was only eligible for limited-coverage Medicaid through Plan First, effective June 1, 2025.

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).

Medicaid is also 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.

In this case, Petitioner is disputing the Department's decision to find her ineligible for full-coverage Medicaid. Thus, the issue here is whether the Department properly determined that Petitioner was ineligible for full-coverage Medicaid.

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 \$21,597.00. Thus, the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$21,597.00 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

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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 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.

Based on the evidence presented, Petitioner's self-reported income was over the income limit. Petitioner reported that she was working 37 hours per week, and she was getting paid \$ [REDACTED] per hour. Petitioner's self-reported income was the equivalent of \$ [REDACTED] per year. Petitioner's self-reported household income was the same as her household MAGI. Thus, Petitioner's household MAGI was \$ [REDACTED] which exceeded the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan.

Although Petitioner self-reported that she was working 37 hours per week and she was getting paid \$ [REDACTED] per hour, the paystubs that Petitioner provided showed that Petitioner was receiving less income than reported. Based on Petitioner's two most recent paystubs at the time of her application, Petitioner received an average of \$ [REDACTED] biweekly. This income was the equivalent of \$ [REDACTED] per year, which still exceeded the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan.

Petitioner subsequently provided additional paystubs that showed her income decreased. Based on Petitioner's two most recent paystubs at the time that Petitioner provided her additional paystubs, Petitioner received an average of \$ [REDACTED] biweekly. This income was the equivalent of \$ [REDACTED] per year, which still exceeded the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan.

Since Petitioner's household MAGI exceeded the applicable income limit, the Department properly determined that Petitioner was ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

The Department found Petitioner eligible for limited-coverage Medicaid through Plan First because the Department determined that it was the best Medicaid coverage that

Petitioner was eligible for. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited-coverage Medicaid through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's MAGI was less than the income limit, so the Department properly found Petitioner eligible for limited-coverage Medicaid through Plan First.

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 determined Petitioner's Medicaid eligibility.

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.

Via Electronic Mail:

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Via First Class Mail:

Petitioner
[REDACTED]
[REDACTED]
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