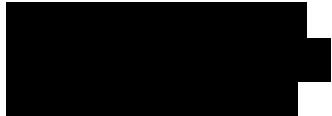




Date Mailed: August [REDACTED], 2025
Docket No.: 25-025277
Case No.: [REDACTED]
Petitioner: [REDACTED]



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 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.

Date Mailed: August [REDACTED], 2025
Docket No.: 25-025277
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 August 11, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Sunshine Simonson, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's, her daughter [REDACTED] (Daughter), and her son [REDACTED] (Son) Medical Assistance (MA) Program 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. Petitioner, Daughter, Son, and Petitioner's other son who is a disabled adult reside together and have been ongoing MA recipients.
2. On May 19, 2025, the Department received Petitioner's completed Redetermination listing employment for Petitioner earning [REDACTED] bi-weekly and that Son's Unemployment Compensation Benefit (UCB) had ended.
3. Petitioner had verified wages of [REDACTED] for May 2, 2025 and [REDACTED] for May 16, 2025. Both paystubs show overtime hours and an overtime premium. The Department did not consult Petitioner as to whether her overtime hours were continuing or if the overtime was regular and ongoing.
4. Petitioner's disabled adult child received a Supplemental Security Income (SSI) benefit of [REDACTED] per month.
5. Petitioner claims all three children as dependents. Daughter is age [REDACTED] and son is age [REDACTED].

6. On June 20, 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner advising her that Daughter, Son, and herself were eligible for full coverage in July 2025, but that effective August 2025, they were only eligible for Plan First (PF).

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).

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.

In this case, Petitioner disputes the change in her family's MA benefits from Healthy Michigan Plan (HMP) to Plan First (PF). 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, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Because Petitioner, Daughter, and Son are not age 65 or older, blind, under age 19, pregnant, recently pregnant, or eligible for Medicare, they are potentially eligible for MA coverage under HMP. 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, MDHHS concluded that Petitioner and her children were not eligible for HMP due to having income that exceeded the applicable income limit for their 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. Petitioner is a tax filer and claims all three of her children as tax dependents. She is not married. Therefore, Petitioner's group size is four. BEM 211 (October 2023), p. 2. The group size for a non-tax filer who is claimed as a dependent is the household of the tax filer claiming the individual as a dependent if the individual is the biological child of the person claiming them as a dependent. 133% of the annual FPL in 2025 (the most current applicable FPL) for a household with four members is \$42,759.50. See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. Therefore, to be income eligible for HMP, their annual income cannot exceed [REDACTED] or [REDACTED] per month.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (April 2022), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, the Department bases financial eligibility on current monthly household income. Centers for Medicare & Medicaid Services, *State Plan Amendment 17-0100 Approval Notice*, (March 19, 2018), p. 7. MAGI is calculated by reviewing the client's adjusted gross income (AGI) and adding it to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <<https://www.healthcare.gov/glossary/modified-adjusted-gross-income-magi/>> (accessed May 6, 2025). AGI is found on IRS Tax Form 1040 at line 11. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <https://www.healthcare.gov/glossary/adjusted-gross-income-agi/>> (accessed May 6, 2025). Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household 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. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <<https://www.healthcare.gov/income-and-household-information/how-to-report/>> (accessed May 6, 2025). In situations where income is difficult to predict because of unemployment, self-employment, commissions, or a work schedule that changes regularly, income should be estimated based upon past experiences, recent trends, possible changes in the workplace, and similar information. *Id.*

In determining Petitioner's eligibility, the Department considered employment income for Petitioner. In the 30 days of verified income immediately prior to the Department's decision, Petitioner had gross wages of [REDACTED]. No evidence was presented of any deductions for child support, student loans, health insurance premiums, or retirement accounts for Petitioner. During the hearing, Petitioner pointed out that her verified income shows increased wages due to overtime which was limited in scope and which has now ended. Because policy requires the Department to evaluate Petitioner's *current monthly income*, the Department properly considered her increased wages. Petitioner's disabled adult child also receives an SSI benefit of [REDACTED] per month. His

income must be included in determining eligibility because based on his circumstances, he is required to file a tax return. 42 CFR 435.603(d)(2)(i); IRS.GOV, *Dependents, Standard Deduction, and Filing Information*, <<https://www.irs.gov/pub/irs-pdf/p501.pdf>> (accessed August 12, 2025). Therefore, the group's gross income is equal to their MAGI of [REDACTED] which is greater than the HMP income limit. The Department has properly closed Petitioner's MA HMP benefit.

An exception exists to the income limit rule if an individual's MAGI is within 5% of the FPL for the applicable group size, a disregard is applied in order to make the individual eligible for MA. MREM, § 7.2. After consideration of the 5% disregard, the income limit is [REDACTED] or [REDACTED] per month. The group's income is greater than the income limit after application of the 5% disregard. Therefore, they are not eligible for HMP benefits.

Notably, if Petitioner's overtime hours and income has ended, Petitioner can submit a change report with the Department to verify her decreased wages and have her MA eligibility reevaluated based on the reduced income. BAM 105 (June 2025), p. 10.

PF-MA is also a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage (not emergency services only (ESO)) residing in Michigan whose fiscal group's net income does not exceed 195% of the federal poverty level (FPL) and meets the other eligibility criteria. BEM 124, p. 1. There are no age or gender restrictions to PF-MA eligibility. BEM 124, p. 1. PF is an MA program limited to family planning services only. <https://www.michigan.gov/mdhhs/assistance-programs/healthcare/adults/planfirst>. PF follows the same rules as HMP for determining income eligibility but has an income limit of 195% of the FPL which in 2025 for a household with four members is \$62,692.50. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for PF-MA, Petitioner's annual income cannot exceed [REDACTED] or [REDACTED] per month. The group's income is less than the PF income limit and they are eligible for PF.

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 Petitioner's, Daughter's, and Son's MA eligibility.

Accordingly, the Department's decision is **AFFIRMED**.

A handwritten signature in blue ink that reads "Amanda M. T. Marler". The signature is fluid and cursive, with "Amanda" and "Marler" being the most prominent parts.

25-025277

AMANDA MARLER
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

Via Electronic Mail:

Respondent

WAYNE-GREENFIELD/JOY-DHHS
8655 GREENFIELD RD
DETROIT, MI 48228
MDHHS-WAYNE-17-
HEARINGS@MICHIGAN.GOV

of this Hearing Decision may be considered untimely and dismissed.

Via First Class Mail:

Petitioner



25-025277