



Date Mailed: September 5, 2025

Docket No.: 25-027695

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Date Mailed: September 5, 2025

Docket No.: 25-027695

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 telephone hearing was held via Microsoft Teams on August 27, 2025. Petitioner did not participate and was represented. [REDACTED] [REDACTED] Petitioner's mother and guardian testified and participated as Petitioner's authorized hearing representative (AHR). The Michigan Department of Health and Human Services (MDHHS) was represented by Rosemary Molsbee-Smith, specialist.

ISSUES

The first issue is whether MDHHS properly determined Petitioner's Medicare Savings Program (MSP) eligibility.

The second issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility.

The third issue is whether MDHHS properly terminated Petitioner's Food Assistance Program (FAP) 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. As of June 2025, Petitioner was a Medicaid recipient who was employed, 21-65 years old, not pregnant, and with no tax dependents.
1. On June [REDACTED] 2025, MDHHS received redetermination documents to continue Petitioner's FAP eligibility. Petitioner reported having over \$[REDACTED] in cash assets.
2. In June 2025, Petitioner received ongoing gross biweekly wages totaling \$[REDACTED]

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3. In June 2025, Petitioner received gross monthly Retirement, Survivors, Disability Insurance (RSDI) of \$[REDACTED]
 4. As of June 2025, Petitioner had no housing, utility, child support, medical, or dependent care expenses.
 5. On July [REDACTED] 2025, MDHHS terminated Petitioner's FAP eligibility beginning July 2025 due to excess net income.
 6. On July [REDACTED] 2025, MDHHS terminated Petitioner's MA eligibility beginning July 2025 and approved Petitioner for the limited-coverage MA category of Plan First. MDHHS also terminated Petitioner's MSP eligibility due to excess assets.
 7. On July 24, 2025, Petitioner requested a hearing to dispute MA eligibility and the terminations of FAP and MSP benefits.

CONCLUSIONS OF LAW

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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute a termination of MSP eligibility. Exhibit A, pp. 4-7. A Health Care Coverage Determination Notice dated July 14, 2025, stated that Petitioner was ineligible for MSP due to excess assets. Exhibit A, pp. 19-21.

For MSP eligibility, countable assets may not exceed the limits of BEM 400. BEM 165 (July 2024) p. 8. The MSP asset limit for a one-person group as of March 2025 is \$9,660. BEM 400 (March 2025) p. 8.

An asset must be available to be countable. BEM 400 (March 2025) p. 10. Available means that someone in the asset group has the legal right to use or dispose of the asset. *Id.*

Petitioner's redetermination documents received by MDHHS on June [REDACTED] 2025, reported respective savings and savings account assets of \$[REDACTED] and \$[REDACTED] Exhibit A, pp. 16-20. Petitioner's cash assets totaling \$[REDACTED] exceeded the asset limit for MSP.

The evidence supported that Petitioner had over \$12,000 in assets because of receiving RSDI while incarcerated. Petitioner's AHR indicated a plan to return the funds to the Social Security Administration. However, the evidence did not suggest that the funds were not available to Petitioner. Thus, the assets were available to Petitioner and MDHHS properly terminated Petitioner's MSP eligibility beginning July 2025.

Petitioner also requested a hearing, in part, to dispute MA eligibility. Exhibit A, pp. 4-7. A Health Care Coverage Determination Notice dated July 14, 2025, stated that Petitioner was eligible only for the limited coverage MA category of Plan First beginning July 2025. Exhibit A, pp. 19-21. A further analysis requires a consideration of MA categories.

Medicaid is also known as MA. BEM 105 (January 2024) p. 1. The MA program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.¹ *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

Petitioner's testimony acknowledged being 21-65 years old, not pregnant, and not a caretaker to minor children. Petitioner presumably was disabled and received Medicare based on receiving ongoing MSP benefits. Under the circumstances, Petitioner is potentially only eligible to receive full-coverage Medicaid under the MA category of Freedom-to-Work and/or some other SSI-related MA category.

For FTW, the asset limit for an unmarried individual is \$9,690, the same limit for MSP. BEM 400 (March 2025) p. 8. For other SSI-related categories, the asset limit for an unmarried individual is \$2,000. *Id.*, p. 9.

As discussed above, Petitioner reported cash assets totaling \$[REDACTED] on redetermination documents Exhibit A, pp. 16-20. There was no evidence that Petitioner's assets were not available and countable. Petitioner's assets exceeded the asset limit for MA. Thus, MDHHS properly determined Petitioner ineligible for all full-coverage MA categories beginning July 2025. With no other MA categories available, MDHHS properly approved Petitioner for Plan First, a limited-coverage MA category with no asset limit (see BEM 124).

¹ Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

Petitioner lastly requested a hearing to dispute a termination of FAP eligibility. Exhibit A, pp. 4-7. A Notice of Case Action dated July [REDACTED] 2025, stated that Petitioner was ineligible for FAP benefits due to excess income. Exhibit A, pp. 34-38.

FAP benefit amounts are determined by a client's net income. BEM 556 outlines the factors and calculations required to determine a client's net income. FAP net income is based on group size, countable monthly income, and relevant monthly expenses. A budget summary from the approval notice listed FAP budget factors. Exhibit A, pp. 35-36. During the hearing, all relevant budget factors were discussed with Petitioner.

Petitioner's redetermination documentation reported a FAP benefit group including only Petitioner. Exhibit A, pp. 16-20. Petitioner did not object to the group size of one person.²

It was not disputed that Petitioner received \$[REDACTED] in gross monthly RSDI benefits. For FAP benefits, gross RSDI is countable. BEM 503 (January 2023) p. 29. MDHHS properly counted Petitioner's monthly unearned income to be \$[REDACTED]

MDHHS testified it prospected Petitioner's income from wages received in June 2025. TheWorkNumber documents listed gross biweekly wages for Petitioner in June 2025 of \$[REDACTED] and \$[REDACTED] Exhibit A, pp. 31-33. For FAP benefits, MDHHS generally counts gross wages.³ BEM 501 (January 2024) p. 7. For FAP, MDHHS converts stable or fluctuating biweekly income to a monthly amount by multiplying the average income by 2.15. BEM 505 (October 2023) p. 8. Multiplying Petitioner's average biweekly wages by 2.15 results in a total gross monthly income of \$[REDACTED] the same amount calculated by MDHHS. MDHHS issues a 20% credit for timely reported employment income. Multiplying the income by .8 results in countable wages of \$[REDACTED] (dropping cents). Adding Petitioner's RSDI results in a running total income of \$[REDACTED]

MDHHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (January 2025) p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, MDHHS considers the following expenses: shelter expenses (housing and utilities) up to a capped amount, dependent care costs, and court-ordered child support and arrearages paid to non-household members (see *Id.*). An SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35 for an SDV person(s) will receive the standard medical deduction (SMD) of \$165. *Id.*, p. 9. If the group has actual medical expenses which are more than the SMD, the group has the option to verify their actual expenses instead of receiving the SMD. *Id.*

² See BEM 212 for policies on determining group size for FAP benefits.

³ Exceptions to using gross wages include the following: earned income tax credits, flexible benefits, striker earnings, student disregards, and census worker earnings. BEM 501 (July 2017), p. 7. None of these exceptions apply to the present case.

As a disabled individual, Petitioner's medical expenses may affect FAP eligibility; Petitioner did not allege having medical expenses. Petitioner also did not allege having child support or dependent care expenses. Petitioner's group's non-shelter expenses were \$0.

Petitioner's FAP benefit group size justifies a standard deduction of \$204 (see RFT 255). The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction and countable non-shelter expenses are subtracted from the countable monthly income to calculate the group's adjusted gross income. Subtracting the standard deduction (\$204) and countable non-shelter expenses (\$0) from the group's countable income (\$[REDACTED]) results in an adjusted gross income of \$[REDACTED].

MDHHS credited Petitioner with monthly housing expenses of \$0; Petitioner did not allege additional housing expenses. Petitioner did not allege having any other utility obligations. Petitioner's total shelter expenses are \$0.

MDHHS only credits FAP benefit groups with an "excess shelter" expense. The expense is calculated by subtracting half of Petitioner's adjusted gross income from Petitioner's total shelter obligation. Petitioner's excess shelter expense is \$0.

The FAP benefit group's net income is determined by subtracting the excess shelter expense from the group's adjusted gross income; doing so results in \$[REDACTED] in net income for Petitioner's group. A chart is used to determine the proper FAP benefit issuance.⁴ RFT 260 (October 2024) pp. 1-5. Based on Petitioner's group size and net income, Petitioner's proper FAP issuance for June 2025 is \$0: the same amount calculated by MDHHS. Given the evidence, MDHHS properly terminated Petitioner's FAP eligibility.⁵

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner be eligible only for the limited-coverage MA category of Plan First beginning July 2025. MDHHS also properly terminated Petitioner's MSP and FAP eligibility beginning July 2025. The actions of MDHHS are **AFFIRMED**.

⁴ FAP eligibility can also be calculated by multiplying the net income by 30% and subtracting the amount from the maximum FAP issuance for the group.

⁵ The evidence suggested Petitioner's wages may have been reduced since July 2025. Petitioner was advised he can reapply for FAP benefits to obtain an updated benefit redetermination.

Christian Gardocki

CHRISTIAN GARDOCKI
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.

25-027695

Via Electronic Mail:

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