



Date Mailed: September 12, 2025
Docket No.: 25-029666
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

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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.

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Docket No.: 25-029666

Case No.: [REDACTED]

Petitioner: [REDACTED]

HEARING DECISION

On August 1, 2025, Petitioner [REDACTED] requested a hearing to dispute a Medical Assistance (MA) and Food Assistance Program (FAP) and determination. As a result, a hearing was scheduled to be held on September 11, 2025, pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; and Mich Admin Code, R 792.11002. Petitioner appeared at the hearing and represented herself. Amber Gibson, Hearing Facilitator, appeared on behalf of Respondent, Department of Health and Human Services (Department).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-25.

ISSUES

Did the Department properly deny Petitioner full-coverage MA (Medical Assistance) through the HMP (Healthy Michigan Program)?

Did the Department properly close Petitioner's FAP benefit case due to excess income?

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 July 14, 2025, Petitioner submitted a redetermination.
2. Petitioner has a household size of 1.
3. On July 21, 2025, a benefit notice was issued stating that Petitioner was ineligible for full-coverage MA through the HMP.
4. Petitioner received the following in gross earnings from Petitioner's employment at [REDACTED]
 - a. [REDACTED] on June 12, 2025
 - b. [REDACTED] on June 26, 2025
 - c. [REDACTED] on July 10, 2025

-
5. Petitioner's monthly housing costs were \$888.00, and because Petitioner reported that Petitioner pays for heat and internet, Petitioner received the heat/utility standard of \$664.00 and internet standard of \$50.00.
 6. The July 21, 2025, benefit notice stated that Petitioner was eligible for \$0.00 in FAP benefits beginning August 1, 2025.
 7. On August 1, 2025, Petitioner requested a hearing to dispute the Department's MA and FAP eligibility determinations.

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).

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.

At the hearing, Petitioner indicated that Petitioner does not dispute the Department's denial of full-coverage MA through the HMP.

Health care coverage for adults is available through various programs, including the Healthy Michigan Plan. In order for an individual to be eligible for MA through the Healthy Michigan Plan, the individual must be age 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.

The 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, the Department properly determined that Petitioner's household size was 1.

The FPL for a household size of 1 in 2025 is ██████████ FR 3424 (January 17, 2025). The Department also applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. Thus, HMP income limits are functionally 138% of the FPL. The 5% disregard is the amount equal to 5% of the FPL, not a flat 5% disregard of income. BEM 500 (April 1, 2022), p. 5.

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Income eligibility is based on modified adjusted gross income (MAGI) for HMP purposes. BEM 137 at 1 and 7 CFR 435.603. MAGI is defined as adjusted gross 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 p. 5-6.

Based on the evidence presented, at the time of the July 14, 2025, redetermination Petitioner's monthly income is [REDACTED]. Because Petitioner's annual income exceeds the monthly income limit of [REDACTED] the Department properly denied Petitioner full-coverage MA through the HMP based on the information Petitioner provided at the time of the July 14, 2025, redetermination.

FAP

The FAP [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

The Department uses countable income to determine eligibility and benefit levels. Income remaining after applying the policy in the income related items is called countable. For FAP purposes, all earned and unearned income available to an applicant or recipient is countable. The Department uses gross income when determining countable income. Gross income is the amount of income before any deductions such as taxes or garnishments, and the amount counted may be more than the client actually receives. BEM 500.

In this case, Petitioner received gross earned income of [REDACTED] on June 12, 2025, [REDACTED] on June 26, 2025, and [REDACTED] on July 10, 2025. These income amounts were added and divided by 3. The total was then multiplied by 2.15 which equals a projected gross monthly earned income amount of [REDACTED] for Petitioner [REDACTED] + [REDACTED] + [REDACTED] 3 x 2.15.

Every case is allowed the standard deduction shown in RFT 255. BEM 550, p. 1. The standard income deduction for Petitioner's FAP group size of 1 was \$204.00. After subtracting that standard deduction from Petitioner's group's gross monthly income, the adjusted gross income would be [REDACTED] - \$204.00). BEM 550.

Bridges, the Department's computer information system, uses certain expenses to determine net income for FAP eligibility and benefit levels. For groups with one or more senior/disabled/disabled veteran (SDV) member, Bridges uses the following: (1) dependent care expense; (2) excess shelter; (3) court ordered child support and arrearages paid to non-household members, and (4) medical expenses for the SDV member(s) that exceed \$35.00. BEM 554, p. 1. The evidence on the record establishes that Petitioner's group did not qualify for a dependent care, medical or child support expense deduction.

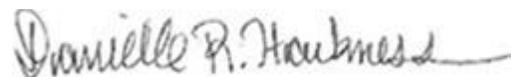
Petitioner's monthly housing expense was \$888.00. Petitioner was entitled to a standard heat and utility expense of \$664.00 and an internet standard of \$50.00 which resulted in a total shelter amount of \$1,602.00 (\$888.00 + \$664.00 + \$50.00). The Department was required to deduct 50% of Petitioner's adjusted gross income (.5 x [REDACTED] from the total shelter amount, which left an adjusted excess shelter amount of \$573.00 resulting in a net income amount of [REDACTED] - \$573.00).

No evidence was provided by Petitioner to show that the Department's income calculation was incorrect or that the Department's determination of Petitioner's FAP benefits beginning August 1, 2025, was contrary to the law and Department policy.

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 denied Petitioner full-coverage MA through the HMP and when it determined Petitioner's FAP eligibility beginning August 1, 2025.

IT IS ORDERED the Department's decision is **AFFIRMED**.



**DANIELLE R. HARKNESS
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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Petitioner

[REDACTED]

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