



Date Mailed: November 10, 2025
Docket No.: 25-032079
Case No.: [REDACTED]
Petitioner: [REDACTED]

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

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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: November 10, 2025

Docket No.: 25-032079

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 October 7, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Kiptrinn Trinidad, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department's September 8, 2025 Hearing Summary packet was admitted as Exhibit A, pp. 1-22, the September 29, 2025 packet was admitted as Exhibit B, pp. 1-22, and Petitioner's additional documentation was admitted as Exhibit 1, pp. 1-45.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA)?

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 was receiving MA benefits under the Freedom to Work (MA-FTW) category.
2. On July 9, 2025, Petitioner submitted a Renew Benefits form for her MA benefit case. Petitioner reported she was disabled and the only income was from Social Security Administration (SSA) issued Retirement, Survivor, and Disability Insurance (RSDI) benefits. (Exhibit A, pp. 8-10; Exhibit B, pp. 8-10; Exhibit 1, pp. 10-12)
3. The Department determined that Petitioner would be eligible for MA under the MA-FTW category until the end of September 2025 and would change to having a monthly deductible for her MA coverage effective October 1, 2025. (Exhibit A, p. 1; Exhibit B, p. 1)

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4. On August 19, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part indicating she was approved for MA-FTW for the month of September 2025, and she was no longer eligible for MA-FTW as of October 1, 2025, because she was not currently employed and/or she was not disabled. (Exhibit A, pp. 11-15; Exhibit B, pp. 11-15; Exhibit 1, pp. 19-23)
 5. On August 19, 2025, a Verification Checklist was issued to Petitioner requesting verifications with a due date of August 29, 2025. (Exhibit 1, pp. 7-9)
 6. On August 25, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 4-6; Exhibit 1, pp. 24-26)
 7. On August 28, 2025, a Health Care Coverage Determination Notice was issued to Petitioner, in part indicating she was approved for MA with a monthly deductible of \$1,316.00 effective October 1, 2025. (Exhibit A, pp. 16-22; Exhibit B, pp. 16-22; Exhibit 1, pp. 28-34)
 8. On September 15, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit B, pp. 4-6; Exhibit 1, pp. 35-37)

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.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining

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eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1.

Group 2 aged, blind, and disabled (Group 2 MA) is an SSI related MA category that available to a person who is aged (65 or older), blind or disabled. BEM 105, January 1, 2024, p. 5; BEM 166, April 1, 2017, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

The Department counts the gross benefit amount of Social Security Administration issued Retirement Survivors Disability Insurance (RSDI) benefits as unearned income when determining eligibility. BEM 503, July 1, 2025, p. 30. The Department disregards the annual cost of living increase for RSDI for January, February, and March. BEM 503, pp. 30-31.

The Department utilizes a Protected Income Level (PIL) in determining MA eligibility. The PIL is a set allowance for non-medical need items such as shelter, food and incidental expenses. BEM 544, January 1, 2020, p. 1. Berrien County is part of Shelter Area IV, which has a PIL of \$375.00 for a group size of one. RFT 200, April 1, 2017, p. 3 and RFT 240, December 1, 2013, p. 1.

For SSI related adults, the only deductions allowed to countable income are for court-ordered child support, blind/impairment related work expenses, allocation to non-SSI related children, a \$20.00 disregard, an earned income disregard of \$65.00 plus ½ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2025, pp. 1-7. A non-SSI-related child is a child who: (1) is unmarried and under age 18; and (2) is not an SSI, FIP, SDA or title IV-E recipient; and (3) is not a department ward; and (4) is not an applicant for, or recipient of, MA based on disability or blindness. BEM 541, p. 2.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, July 1, 2022, p. 1-3.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12.

There are four categories that make up the MSP: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); Additional Low-Income Medicare Beneficiaries (ALMB); and Non-Categorically Eligible Michigan Beneficiary (NMB). Income is the major determiner of category. For QMB net income cannot exceed 100% of poverty. For SLMB net income is over 100% of poverty, but not over 120% of poverty. For ALMB net income is over 120% of poverty, but not over 135% of poverty. For NMB, income and assets above allowed ALMB limits but have full coverage Medicaid with Medicare part A/B entitlement. BEM 165, July 1, 2024, p. 1.

RFT 242 addresses the income limits for aged or disabled MA (MA-AD) and the MSP categories. Effective April 1, 2025, for a group size of one the income limit for MA-AD and QMB is \$1,325.00; for SLMB the income limit is \$1,325.01 to \$1,585.00; and for ALMB the income limit is \$1,585.01 to \$1,781.00. The RFT 242 policy notes that these amounts are the applicable percentage of the federal poverty limit plus the \$20.00 disregard for RSDI income. RFT 242, April 1, 2025, p. 1.

MA FTW is an SSI-related Group 1 MA category. FTW is available to a client with disabilities age 16 through 64 who has earned income. Eligibility begins the first day of the calendar month in which all eligibility criteria are met. All eligibility factors must be met in the calendar month being tested. BEM 174, October 1, 2024, p. 1.

The non-financial eligibility factors include employment:

2. The client must be employed. FTW coverage is retained when a participant is relocated due to employment.

Note: A client may have temporary breaks in employment up to 24 months if the break is the result of an involuntary layoff or is determined to be medically necessary and retain FTW eligibility. Use client statements to verify.

BEM 174, October 1, 2024, p. 1.
(Underline added by ALJ)

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In this case, it was uncontested that Petitioner was not working at the time of the August 2025 determinations. Petitioner testified that she stopped working in 2023. (Petitioner Testimony). Pursuant to the BEM 174 policy, to be eligible under the MA-FTW category, the individual must be disabled and employed. A temporary break in employment can only be for up to 24 months and must be due to an involuntary layoff or medical necessity. It was uncontested that Petitioner is disabled. However, she was no longer eligible for MA under the MA-FTW category once the break from employment had lasted more than 24 months.

Petitioner acknowledged that she received about \$ [REDACTED] in RSDI benefits monthly. (Petitioner Testimony). Accordingly, pursuant to the RFT 242 policy, Petitioner was not eligible for full MA coverage under the MA AD CARE category, which has an income limit of \$1,325.00. Therefore, the Department properly determined MA eligibility for Petitioner with a monthly deductible.

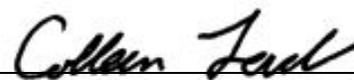
Petitioner raised concerns with the language on the Health Care Coverage Determination Notices. For example, the phrasing explaining that Petitioner did not meet the basic criteria for FTW because she was not currently employed “and/or” not disabled. Petitioner misinterpreted this language to imply that she would qualify because she is disabled. (Petitioner Testimony). However, the eligibility criteria for MA-FTW include both being disabled and being employed. Because an individual could fail to meet one or both of these parts of the criteria, the templated language on the notice includes the “and/or”. The phrasing on the notice does not override the BEM 174 policy that requires the individual to be both disabled and employed to meet the MA-FTW eligibility criteria.

Overall, the evidence supports the Department’s determination that Petitioner was no longer eligible for MA-FTW once her break from employment lasted over 24 months and that Petitioner would then have a monthly deductible for MA benefits.

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 eligibility for MA.

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



COLLEEN LACK
ADMINISTRATIVE LAW JUDGE

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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://irs.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:

Respondent
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[REDACTED]
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