



Date Mailed: October 6, 2025

Docket No.: 25-032237

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: October 6, 2025

Docket No.: 25-032237

Case No.: [REDACTED]

Petitioner: [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 October 2, 2025. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Rebecca Scott, supervisor.

ISSUES

The first issue is whether MDHHS properly determined Petitioner's Food Assistance Program (FAP) eligibility.

The second issue is whether MDHHS properly denied Petitioner's State Emergency Relief (SER) eligibility.

The third issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) 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 August 2025, Petitioner received FAP benefits and unlimited-coverage MA benefits based on benefit groups including only Petitioner.
1. As of August 2025, Petitioner was neither over 60 years of age, disabled, or a disabled veteran.
2. As of August 2025, Petitioner was over 21 years of age, not pregnant, and with no tax dependents.
3. As of August 2025, Petitioner's household had no child support or dependent care expenses.

-
4. As of August 2025, Petitioner paid \$[REDACTED] for monthly housing expenses with an obligation to pay heating/cooling and internet expenses.
 5. On August [REDACTED] 2025, Petitioner applied for SER seeking payment towards a natural gas/electric bill.
 6. On August [REDACTED] 2025, Petitioner began receiving \$[REDACTED] in gross biweekly unemployment compensation benefits (UCB).
 7. On August [REDACTED] 2025, MDHHS reduced Petitioner's monthly FAP eligibility to \$[REDACTED] beginning September 2025.
 8. On August [REDACTED] 2025, MDHHS denied Petitioner's SER application due to excess income.
 9. On August [REDACTED] 2025, MDHHS determined Petitioner to be eligible only for the limited-coverage MA category of Plan First beginning September 2025.
 10. On August 19, 2025, Petitioner requested a hearing to dispute FAP, SER, and MA eligibility.

CONCLUSIONS OF LAW

The FAP [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036d. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers the FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031. FAP 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 reduction in FAP benefits. Exhibit A, pp. 3-5. A Notice of Case Action dated August [REDACTED] 2025, stated that Petitioner's monthly FAP eligibility would be reduced to \$[REDACTED] beginning September 2025. Exhibit A, pp. 10-14.

FAP benefit amounts are determined by a client's net income.¹ 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, p. 11. During the hearing, all relevant budget factors were discussed with Petitioner.

¹ To be clear, "net income", for purposes of FAP benefits, should be distinguished from the net income a client may receive from employment or other sources.

MDHHS factored a benefit group including only Petitioner. Petitioner did not dispute the FAP benefit group size of one person.²

MDHHS calculated an unearned income of \$[REDACTED] from Petitioner's UCB. For UCB, MDHHS is to factor gross income. BEM 503 (July 2025) p. 39. MDHHS converts stable or fluctuating biweekly income to a monthly amount by multiplying the average income by 2.15. BEM 505 (June 2025) p. 8. It was not disputed that Petitioner received gross biweekly UCB of \$[REDACTED]. Multiplying Petitioner's average biweekly gross income by 2.15 results in countable monthly UCB of \$[REDACTED] (dropping cents): the same unearned income calculated by MDHHS.

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.*

It was not disputed that Petitioner had no SDV group members; thus, medical expenses are not counted. 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 \$[REDACTED]. Petitioner did not allege additional housing expenses for her homestead.⁴ MDHHS credited Petitioner with the standard heating/utility (h/u) credit of \$664. RFT 255 (October 2024) p. 1. Generally, the h/u credit covers all utility expenses, except internet, and is the maximum credit

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

³ MDHHS mistakenly listed Petitioner's income as \$[REDACTED] in its Hearing Summary. Exhibit A, p. 1.

⁴ Petitioner alleged an additional monthly obligation of \$125 for taxes on a property in which she did not reside. MDHHS policy implies that only housing expenses for a homestead are countable (see BEM 554); thus, the taxes are not countable in the present case. Furthermore, Petitioner also acknowledged not previously reporting the expenses to MDHHS.

available for non-internet utilities.⁵ MDHHS also issued the standard \$50 internet credit (see *Id.*). Petitioner's shelter credits (housing + utilities) total \$778.01

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 expenses are \$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.⁶ RFT 260 (October 2024) pp. 1-5. Based on Petitioner's group size and net income, Petitioner's proper FAP issuance for September 2025 is \$[REDACTED] MDHHS calculated the same amount. Given the evidence, MDHHS properly determined Petitioner's FAP eligibility.

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1 *et seq.* MDHHS administers the program pursuant to MCL 400.10 and Mich Admin Code, R 400.7000 to R 400.7049. SER policies are contained in the Emergency Services Manual (ERM).

Petitioner also requested a hearing to dispute a denial of SER. Petitioner applied for SER-Energy on August [REDACTED] 2025, seeking assistance with a past due energy bill. A State Emergency Relief Decision Notice dated August [REDACTED] 2025, stated that Petitioner's application was denied due to excess income. Exhibit A, pp. 7-9

There are no income copayments for SER-Energy. ERM 208 (October 2024) p. 1. With respect to income, clients are either eligible or not for SER-Energy. *Id.* For a group to be eligible for SER-Energy, the combined monthly net income that is received or expected to be received by all group members in the 30-day countable income period cannot exceed the income standard based on the number of group members. *Id.* If the income exceeds the income standard limit, the SER request must be denied. *Id.*

A single SER group consists of persons who occupy the same home. ERM 201 (October 2023) p. 1. It was not disputed that Petitioner resided alone. Thus, Petitioner's SER group size is one person.

MDHHS is to verify and budget all non-excluded gross income that the SER group expects to receive during the countable income period. ERM 206 (November 2023) p. 1. MDHHS then determines the SER group's net countable income based on the application date and entry of income. *Id.* The countable income period consists of 30

⁵ MDHHS allows additional credits for "actual utility expenses". Such expenses are only allowed for utility installation charges, water well installation and maintenance, and septic installation and maintenance. BEM 554 (October 2019) p. 15. There was no evidence of applicable exceptions.

⁶ 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.

days beginning with the SER application date. *Id.* In the present case, the countable income period is from August 15 through September 13, 2025.

MDHHS counts the SER group's net countable income based on the application date and entry of income. ERM 206 (November 2024) p. 1. It was not disputed that Petitioner received \$[REDACTED] in biweekly gross UCB beginning August 16, 2025. During the 30-day application-eligibility period, Petitioner was projected to receive three UCB payments totaling \$[REDACTED]. For net income, MDHHS is to subtract any mandatory withholding taxes. *Id.*, p.

MDHHS is to subtract mandatory withholding taxes. *Id.*, pp. 4-5. There was no evidence of mandatory withholding taxes taken from Petitioner's UCB. Thus, Petitioner's income for purposes of SER eligibility is \$[REDACTED].

The SER-energy income standard limit for a one-person group is \$1,883. ERM 208 (October 2024) p. 8. Petitioner's countable net income exceeds the income limit for SER-Energy. Thus, MDHHS properly denied Petitioner's SER-Energy application due to excess income.⁷

The MA program is established by Title XIX of the Social Security Act, 42 USC 1396 to 42 USC 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 to 42 CFR 430.25. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10 and MCL 400.103 to MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.* MA policies are contained in the BAM, BEM, and RFT.

Petitioner lastly requested a hearing to dispute a reduction to ongoing full-coverage MA benefits. Exhibit A, pp. 3-5. A Health Care Coverage Determination Notice dated August [REDACTED] 2025, stated that Petitioner was eligible only for the limited coverage MA category of Plan First beginning October 2025. Exhibit A, pp. 15-17. 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.⁸ *Id.*

⁷ During the hearing, Petitioner was advised that reapplying for SER on a date in which she would receive only two UCB payments within the following 30 days might result in a different outcome.

⁸ Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

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.*

The evidence suggested that Petitioner was 21-65 years old, not pregnant, not disabled, not a Medicare recipient, and not a caretaker to minor children. Under the circumstances, Petitioner is potentially only eligible to receive full-coverage Medicaid under the MAGI category of HMP. MDHHS testified that Petitioner was ineligible for HMP due to excess income.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code.⁹ 42 CFR 435.603(e). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603(h). MDHHS has chosen to determine HMP eligibility based on current monthly income.¹⁰

Modified adjusted gross income can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.¹¹ Common deductions and disregards which should be factored in determining a person's adjusted gross income include alimony payments, unreimbursed business expenses, Health Savings Account (e.g., 401k) payments, and student loan interest.¹²

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (October 2023) p. 1. The household for a tax filer, who is not claimed as a tax dependent, consists of: the tax filer, the tax filer's spouse, and tax dependents. *Id.*, p. 2. The evidence suggested that Petitioner was a tax filer with no tax dependents; thus, Petitioner's MAGI benefit group size is one person.

As discussed above, Petitioner received \$[REDACTED] in biweekly UCB. Multiplying Petitioner's income by 26 results in an annual income of \$[REDACTED] MDHHS testified it calculated an annual income for Petitioner of \$[REDACTED] Because MDHHS calculated a lower (and slightly more favorable) income for Petitioner, Petitioner's income will be accepted as \$[REDACTED] ([REDACTED] per month).

⁹ Income exceptions are made for lump-sums which are counted as income only in the month received; scholarships, awards, or fellowship grants used for education purposes and not for living expenses; and various exceptions for American Indians and Alaska natives. No known exceptions are applicable to the present case.

¹⁰ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

¹¹ <https://www.investopedia.com/terms/a/agi.asp>

¹² *Id.*

HMP income limits are based on 133% of the federal poverty level (FPL). RFT 246 (April 2014) p. 1. Also, MDHHS applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (July 2017) p. 5. Thus, HMP income limits are functionally 138% of the FPL. The 2025 FPL for a 1-person group residing in Michigan is \$15,650.¹³ Multiplying the FPL by 1.38 results in an income limit of \$21,597 (\$1,799.75 per month). Petitioner's benefit group's MAGI exceeds the HMP income limit. Presumably, Petitioner's group's income is within the income guidelines to receive the limited coverage MA category of Plan First.¹⁴

Given the evidence, MDHHS properly determined Petitioner to be ineligible for the full-Medicaid coverage category of HMP beginning September 2025. MDHHS also properly determined Petitioner to be eligible for the best remaining MA category of Plan First beginning September 2025.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly determined Petitioner to be eligible for FAP benefits of \$■ per month beginning September 2025. MDHHS also properly denied Petitioner's SER-Energy application dated August ■ 2025. MDHHS additionally properly determined Petitioner's MA eligibility beginning September 2025. The actions taken by MDHHS are **AFFIRMED**.



CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE

¹³ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

¹⁴ The Plan First income limit is 195% of the FPL. BEM 124 (July 2023) p. 2.

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:

Respondent
WAYNE-SOUTHWEST-DHHS
2524 CLARK ST
DETROIT, MI 48209
**MDHHS-WAYNE-41-
HEARINGS@MICHIGAN.GOV**

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]