



Date Mailed: January 2, 2026
Docket No.: 25-035974
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。

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Date Mailed: January 2, 2026

Docket No.: 25-035974

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 December 3, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Emily Williamson, Eligibility Specialist (ES).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-28.

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 under the adult disabled (MA-AD CARE) category. (ES Testimony)
2. On August 6, 2025, Petitioner submitted a Redetermination for MA benefits. Petitioner reported she was disabled, that unemployment benefits stopped, and that she now had employment with an annual income of \$[REDACTED]. (Exhibit A, pp. 8-12)
3. Petitioner provided the signed letter for the job offer showing a base salary of \$[REDACTED]. (Exhibit A, pp. 13-14)
4. On August 21, 2025, the Department processed the Redetermination and updated the income, but not the disability status. (Exhibit A, p. 1; ES Testimony)
5. On August 21, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating she would have a monthly deductible of \$3,425.00 for her MA coverage effective October 1, 2025. (Exhibit A, pp. 15-21)

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6. On September 26, 2025, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-6)
 7. On October 1, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating she was not eligible for MA effective November 1, 2025 because she did not meet age limits, she was not pregnant or a parent/caretaker of someone under age 19, she had not been in foster care at age 18, she was not disabled or blind, and her income exceeded program limits. (Exhibit A, pp. 23-25)

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 is comprised of 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 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.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship

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requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

The 2025 FPL for the 48 contiguous states and the District of Columbia for a group size of one is an annual income of \$15,650.00. 133% of the FPL would be an annual income of \$20,814.50. (Exhibit A, pp. 26-27).

The Department counts the gross wage amount as earned income. BEM 501, January 1, 2024, p. 7.

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 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. Washtenaw County is part of Shelter Area VI, which has a PIL of \$408.00 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 $\frac{1}{2}$ of the remaining earnings, and Guardianship/Conservator expenses. BEM 541, January 1, 2025, pp. 1-7.

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.

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In this case, Petitioner was receiving MA under the adult disabled (MA-AD CARE) category. (ES Testimony).

On August 6, 2025, Petitioner submitted a Redetermination for MA benefits. Petitioner reported she was disabled, that unemployment benefits stopped, and that she now had employment with an annual income of \$ [REDACTED]. (Exhibit A, pp. 8-12). Petitioner provided the signed letter for the job offer showing a base salary of \$ [REDACTED]. (Exhibit A, pp. 13-14).

On August 21, 2025, the Department processed the Redetermination and updated the income, but not the disability status. (Exhibit A, p. 1; ES Testimony). The Department determined Petitioner's ongoing MA based on the new income amount. Petitioner's salary of \$ [REDACTED] exceeded the limit for full coverage MA-AD CARE of 100% of the FLP, which is an annual income of \$15,650.00. Therefore, Petitioner was found to be over the income limit for full coverage MA under the AD-CARE category.

Based on Petitioner's status showing she was still disabled, the Department then calculated a monthly deductible for Petitioner. On August 21, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating she would have a monthly deductible of \$3,425.00 for her MA coverage effective October 1, 2025. (Exhibit A, pp. 15-21). However, the deductible was calculated in error. Petitioner was no longer considered disabled based on the reported employment with an annual salary of \$ [REDACTED]. (ES Testimony). Petitioner was not actually eligible for MA under the Group 2 aged, blind, and disabled (Group 2 MA) category.

The Department subsequently redetermined eligibility with the updated non-disability status. Petitioner was only potentially eligible for full coverage MA under the Healthy Michigan Plan (MA-HMP) category based on the available information. For example, there was no evidence that Petitioner was under age 19 or 21, aged, disabled, blind, pregnant, or a caretaker relative for a child in the home. The reported income, as verified by the employment offer letter, of \$ [REDACTED] per year exceeded the 133% of the FPL income limit for MA-HMP, which is an annual income of \$20,814.50. Accordingly, on October 1, 2025, a Health Care Coverage Determination Notice was issued to Petitioner stating she was not eligible for MA effective November 1, 2025 because she did not meet age limits, she was not pregnant or a parent/caretaker of someone under age 19, she had not been in foster care at age 18, she was not disabled or blind, and her income exceeded program limits. (Exhibit A, pp. 23-25).

Petitioner testified that the company is a start-up and she was supposed to receive a salary of \$ [REDACTED] per year. However, the start-up is having financial difficulty, Petitioner had not been paid for the last three months, and was not sure if she would be paid in 2025. Petitioner requested documentation from the company regarding not being paid, but the owner of the company does not want to put anything in writing. (Petitioner Testimony). The Department would need verification of the change with the previously

reported and verified income to consider this information in redetermining Petitioner's eligibility for MA. (ES Testimony).

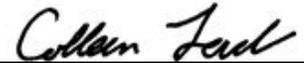
This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies, which include the disability requirement for MA-AD CARE and Group 2 MA, as well as the income limit for MA-HMP. Based on the verified income information, the Department properly determined Petitioner was no longer eligible for MA.

Petitioner may wish to reapply for MA if she is able to obtain documentation of the change with her employment income.

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 was no longer eligible for MA based on the income verification that was submitted.

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



COLLEEN LACK
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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Via First Class Mail:

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