



**Date Mailed:** December 12, 2025  
**Docket No.:** 25-036362  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

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

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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**Docket No.:** 25-036362

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED] [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 1, 2025. Petitioner appeared and was represented by his Authorized Hearings Representative (AHR) [REDACTED] [REDACTED] Benefit Support Services worker, and his mother [REDACTED] [REDACTED]. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Rosemary Moslby-Smith, Eligibility Specialist and Hearings Coordinator.

### **ISSUE**

Did the Department properly determine Petitioner's Medical Assistance (MA) Program 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. Petitioner was previously a Supplemental Security Income (SSI) recipient, and his benefit closed effective August 1, 2025.
2. On August [REDACTED] 2025, the Department issued an SSI-Terminated Medicaid Coverage letter to Petitioner advising him to reapply for benefits and submit the attached DHS-1004 Health Care Coverage Supplemental Questionnaire so that the Department could redetermine his eligibility for MA benefits.
3. On September [REDACTED] 2025, the Department received an application for MA benefits on Petitioner's behalf which noted that he is currently working for DM Burr Facilities Management Incorporated and which noted that Petitioner had a physical, mental, or emotional health condition that caused limitations in his activities, or lived in a medical facility, or nursing home, or was medically frail.
4. On September [REDACTED] 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner advising him that he was not eligible

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for MA benefits because he is not aged, blind, disabled, under 21, pregnant, or a parent/caretaker of a dependent child.

5. On October █ 2025, the Department received the request for hearing on Petitioner's behalf disputing the denial of MA benefits and requesting consideration of FTW MA benefits.
6. On October █ 2025, the Department sent a second HCCDN to Petitioner advising him that he was eligible for Plan First (PF) MA benefits.
7. On October █ 2025, the Department issued a Disability Determination Service (DDS) packet to Petitioner with a due date of October 27, 2025.
8. Department records show that Petitioner's SSI benefits closed due to a problem with Petitioner's address and not due to financial factors.

### **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.

In this case, Petitioner's MA for SSI recipients benefit closed because his SSI benefits stopped. MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

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Petitioner previously received MA for SSI recipients, but it ended effective August 2025. Individuals who are Michigan residents receiving an SSI benefit are automatically eligible for MA for the MA for SSI recipients' category. BEM 150 (January 2024), p. 1. However, once an SSI benefit ends, the individual is then transitioned to the MA for Terminated SSI recipients, and their eligibility is reviewed to determine placement in another category of MA if appropriate, otherwise their MA benefit ends. BEM 150, p. 6. Because Petitioner's SSI benefit ended, the Department properly transferred Petitioner to the MA for SSI-terminated recipients and sent Petitioner a new application and DHS-1004.

Petitioner properly submitted the application by the due date, and it properly identified Petitioner as having a medical condition which limited his activities. Despite marking this box, the Department determined Petitioner's MA eligibility without review of his disability status and only issued a DDS packet to Petitioner after the hearing request was received. Therefore, the Department did not act in accordance with Department policy because it failed to request verification of the disability before making its decision.

Because Petitioner is not age 65 or older, blind, under age 19, pregnant, recently pregnant, eligible for Medicare, and the Department did not have sufficient information to determine disability status, Petitioner was considered for MA coverage under HMP. HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

In this case, MDHHS concluded that Petitioner was not eligible for HMP due to having income that exceeded the applicable income limit for Petitioner's group size. An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status. Petitioner is not married and has no dependents; therefore, Petitioner's group size is one. BEM 211 (October 2023), p. 2. 133% of the annual FPL in 2025 (the most current applicable FPL) for a household with one member is \$20,814.50. See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$20,814.50 or \$1,734.54 per month.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (April 2022), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, the Department bases financial eligibility on current monthly household income. Centers for Medicare & Medicaid Services, *State Plan Amendment 17-0100 Approval Notice*, (March 19, 2018),

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p. 7. MAGI is calculated by reviewing the client's adjusted gross income (AGI) and adding it to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* < <https://www.healthcare.gov/glossary/modified-adjusted-gross-income-magi/>> (accessed May 6, 2025). AGI is found on IRS Tax Form 1040 at line 11. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <https://www.healthcare.gov/glossary/adjusted-gross-income-agi/>> (accessed May 6, 2025). Alternatively, it is calculated by taking the "federal taxable wages" for each income earner in the household as shown on the paystub or, if not shown on the paystub, by using gross income before taxes reduced by any money the employer takes out for health coverage, childcare, or retirement savings. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* < <https://www.healthcare.gov/income-and-household-information/how-to-report/>> (accessed May 6, 2025). In situations where income is difficult to predict because of unemployment, self-employment, commissions, or a work schedule that changes regularly, income should be estimated based upon past experiences, recent trends, possible changes in the workplace, and similar information. *Id.*

In determining Petitioner's eligibility, the Department considered employment income for Petitioner. In the 30 days of verified income immediately prior to Petitioner's application on September 2, 2025, Petitioner had gross wages of \$[REDACTED]. No evidence was presented of any deductions for child support, student loans, health insurance premiums, or retirement accounts for Petitioner. Therefore, Petitioner's gross income is equal to his MAGI of \$[REDACTED] which is less than the HMP income limit. The Department has not properly denied Petitioner's application for MA under the HMP category.

FTW is an SSI-related (disability-related) Group 1 MA category available to individuals age 16 through 64 who have earned income. BEM 174 (October 2024), p. 1. Policy notes that "SSI recipients whose SSI eligibility has ended due to financial factors are among those who should be considered for this program." *Id.* However, the policy is not exclusive to individuals who meet these criteria. FTW is available to individuals who are disabled, employed, have income less than 250% of the federal poverty level (FPL), and have assets less than \$9,660.00 effective January 1, 2025, for initial eligibility. BEM 174 (October 2024), p. 1-3; BEM 400 (March 2025), pp. 7-8. Therefore, despite Petitioner not losing his SSI benefit because of financial reasons, he may otherwise be eligible for FTW if he meets all eligibility factors.

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**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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's MA eligibility.

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

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reprocess Petitioner's September ■ 2025 MA application;
2. If otherwise eligible, issue MA coverage for benefits not previously received; and,
3. Notify Petitioner in writing of its decision.



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**AMANDA MARLER  
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](http://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](mailto: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.

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**Authorized Hearing Rep**

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**Petitioner**

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