



**Date Mailed:** December 12, 2025  
**Docket No.:** 25-037934  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

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**Docket No.:** 25-037934

**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 November 26, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Michael Butler, Family Independence Manager.

### **ISSUE**

Did the Department properly determine Petitioner's and his wife'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 began receiving Retirement Survivors Disability Insurance (RSDI) benefits effective July 2025 in the amount of \$[REDACTED] per month. There is no other income for Petitioner or his wife.
2. Petitioner is not eligible for Medicare benefits.
3. Petitioner and his wife were ongoing MA recipients under the Healthy Michigan Plan (HMP).
4. Petitioner is responsible for the care of his 13-year-old grandchild who lives in his home but there are five individuals in the home and their relationship status had not been fully verified with the Department despite the Department being aware of the individuals based on earlier applications for other benefits.
5. On October [REDACTED] 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that effective November 1, 2025, Petitioner and his wife were no longer eligible for HMP and would instead be placed in the limited coverage Plan First (PF) MA category.

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6. On October 21, 2025, the Department received a hearing request from Petitioner disputing the Department's determination of MA eligibility.
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### **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 disputes the closure of HMP benefits for himself and his wife. 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.

Because Petitioner is disabled, he may be eligible for an SSI-related MA category. However, because there was no evidence that his wife was disabled, she is ineligible for all SSI-related MA categories. In determining the SSI-related MA category that Petitioner is eligible to receive, MDHHS must determine his MA fiscal group size and net income. As a married individual, he has a fiscal group size for SSI-related MA purposes of two. BEM 211 (October 2023), pp. 5-8.

The AD-Care program, an SSI-related MA category, requires that net group income cannot exceed one hundred percent of the federal poverty level or by looking to the income limits seen in RFT 242, \$1,762.00 for a group size of two effective April 1, 2025. BEM 163, pp. 1-2; RFT 242 (April 2025), p. 1.

Countable income is calculated by adding the amounts of income actually received or reasonably anticipated within the month. BEM 530 (April 2020), p. 2. RSDI and

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pensions are considered countable income. BEM 503 (October 2025), pp. 29-30. Countable RSDI for fiscal group members is the gross amount for the previous December when the month being tested is January, February, or March. BEM 503 (January 2025), pp. 31-32. Federal law requires the cost-of-living (COLA) increase received in January for RSDI benefits to be disregarded for these three months. *Id.* For all other months countable RSDI is the gross amount for the month being tested. *Id.* In 2025, Petitioner had gross monthly RSDI of \$██████████. Petitioner's wife did not have any income. Their total income is \$██████████. Next, \$20.00 is subtracted for the general exclusion and their Net Income is \$██████████. BEM 541 (January 2025), p. 3. No evidence was presented of any expenses for child support, work-related expenses, nor guardianship or conservator expenses. BEM 541, pp. 1-7. Therefore, Petitioner's Net Income is greater than the net income limit. Petitioner is not eligible for the full coverage AD-Care program.

Because Petitioner and his wife are not eligible for AD-Care, they are potentially eligible 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. A tax-filer who is not claimed as a tax dependent has a group size which consists of the individual, their spouse, and their tax dependents. BEM 211, p. 2. The group of a non-tax filer who is not claimed as a tax dependent includes the individual, their spouse if they live together, the individual's natural, adopted, and stepchildren under the age of 21 or under the age of 21 if a full-time student. *Id.* Petitioner is married and is responsible for the care of his grandchild although two other people live in the home and their relationships have not been verified and the Department was uncertain of Petitioner's and his wife's tax filing status. Before determining Petitioner's eligibility, the Department failed to verify whether Petitioner claimed his granddaughter as a tax dependent, or if he had adopted his granddaughter if he was not a tax filer. 133% of the annual FPL in 2025 (the most current applicable FPL) for a household with two members is \$28,129.50. See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$28,129.50 or \$2,344.12 per month if Petitioner does not claim his granddaughter as a tax dependent or if he is not a tax filer and has not adopted her. The 2025 HMP income limit for a group size of three if she is a tax dependent or if she is adopted is \$35,444.50 per year or \$2,953.70 per month. Finally, under either scenario, an exception exists to the income limit rule if an individual's MAGI is within 5% of the FPL for the applicable group

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size, a disregard is applied in order to make the person eligible for MA. MREM, § 7.2. After consideration of the 5% disregard, the income limit for a group size of two is \$2,432.25 per month or for a group size of three \$3,964.75. Because the Department failed to verify the household composition, the Department has not met its burden of proof in establishing that it properly determined Petitioner's eligibility.

For purposes of thoroughness, assuming Petitioner has a group size of two, 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), 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 Petitioner's RSDI of \$[REDACTED] per month. 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 greater than the HMP income limit for a group size of two even after consideration of the 5% disregard.

PF-MA is also a MAGI-related limited coverage Medicaid group available to any United States citizen or individual with an immigration status entitling them to full Medicaid coverage (not emergency services only (ESO)) residing in Michigan whose fiscal group's net income does not exceed 195% of the federal poverty level (FPL) and meets the other eligibility criteria. BEM 124, p. 1. There are no age or gender restrictions to PF-MA eligibility. BEM 124, p. 1. PF is an MA program limited to family planning services only. <https://www.michigan.gov/mdhhs/assistance-programs/healthcare/adults/>

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planfirst. PF follows the same rules as HMP for determining income eligibility but has an income limit of 195% of the FPL which in 2025 for a household with two members is \$41,242.50. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for PF-MA, Petitioner's annual income cannot exceed \$41,242.50 or \$3,436.87 per month. Petitioner and his wife have income less than the PF income limit and are eligible.

Finally, the Department failed to consider Petitioner's eligibility for Group 2-Aged, Blind, Disabled (G2S) based on his disability as an RSDI recipient and both Petitioner's and his wife's eligibility for Group 2 Caregivers (G2C) as a potential caregiver of their grandchild because the Department failed to consider Petitioner's and his wife's household composition before determining their eligibility. Group 2 provides MA coverage with a deductible. BEM 105, p. 1. The deductible is the amount that the client's net income (less any allowable deductions) exceeds the applicable Group 2 MA protected income level (PIL). PIL is a set allowance for non-medical need items such as shelter, food, and incidental expenses. BEM 544 (January 2020), p. 1. It is based on the client's MA fiscal group size and the county in which the client resides. *Id.* Because group 2 categories only provide coverage with a deductible they are only considered if an individual is not eligible for another full coverage category.

After a review of all of the evidence, the Department has not properly determined Petitioner's and his wife's MA eligibility.

### **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 did not act in accordance with Department policy when it determined Petitioner's and his wife'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. Redetermine Petitioner's and his wife's MA eligibility effective November 1, 2025;
2. If otherwise eligible, issue supplements on Petitioner's and/or his wife's behalf 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](https://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](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.

**Via Electronic Mail:**

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**Via First Class Mail:**

**Petitioner**

