

Date Mailed: December 22, 2025

Docket No.: 25-038179

Case No.: [REDACTED]

Petitioner: [REDACTED]

HEARING DECISION

On October 13, 2025, Petitioner [REDACTED] requested a hearing to dispute a Food Assistance Program (FAP) denial and Medical Assistance (MA) determination. As a result, a hearing was scheduled to be held on December 18, 2025. Public assistance hearings are held 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. Petitioner appeared and represented herself. Respondent, Department of Health and Human Services (Department), had Assistance Payments Supervisor Richard Merrill appear as its representative.

A 77-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

ISSUE

Did the Department properly determine Petitioner's 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. On [REDACTED] 2025, Petitioner applied for FAP benefits.
2. On [REDACTED] 2025, Petitioner applied for MA and FAP benefits.
3. Petitioner's date of birth is [REDACTED]
4. Petitioner is widowed.
5. Petitioner is a resident of [REDACTED] County.
6. Petitioner receives [REDACTED] per month in Social Security Retirement, Survivors, and Disability Insurance (RSDI) income.
7. On October 4, 2025, the Department mailed a redetermination form for Medicare Cost Share and Medicaid to Petitioner.

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8. On October 13, 2025, Petitioner submitted the completed redetermination to the Department.
 9. On October 13, 2025, the Department mailed a health care coverage determination notice to Petitioner to notify Petitioner that Petitioner was eligible for was MA with a monthly deductible of \$1,046.00, effective November 1, 2025.
 10. On October 13, 2025, Petitioner requested a hearing to dispute the Department's determination.

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).

FAP

The FAP [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

At the hearing, Petitioner stated that Petitioner did not wish to proceed with a hearing regarding FAP benefits. Therefore, Petitioner's request for hearing concerning FAP benefits is **DISMISSED**.

MA

The 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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In order for a client to be eligible for full-coverage MA through the AD Care program, the client must be aged or disabled, and the client's group's net income must not exceed 100% of the FPL. BEM 163 (July 1, 2017), p. 1-2. The net income limit can be determined by subtracting twenty dollars from the income limits listed in table one of RFT 242. *Id.* at p. 2. For AD Care, the client's group size consists of the client and the client's spouse. BEM 211 (October 1, 2023), p. 8. In this case, Petitioner has a group size of 1. The AD-Care program's monthly income limit in RFT 242 is \$1,275.00 for a group size of 1. RFT 242, p. 1.

When a group member receives income from Social Security RSDI, the gross amount received from RSDI is countable. BEM 163 p. 2. However, \$20.00 is disregarded from unearned income such as Social Security RSDI income. BEM 541 (January 1, 2023), p. 1. In this case, Petitioner receives [REDACTED] per month from Social Security RSDI. After the \$20.00 disregard, the countable amount of Petitioner's unearned income is [REDACTED] per month ([REDACTED]).

Although the income limit for AD Care states that it is based on "net income," this refers to gross income after allowable deductions. BEM 163 at 2. The allowable deductions are set forth in BEM 541 for adults, and Petitioner was not eligible for any of the allowable deductions other than the \$20.00 unearned income disregard and the earned income disregard. Petitioner's net income exceeded the limit for Petitioner to be eligible for full-coverage MA through the AD Care program because the income limit was \$1,275.00 per month, and Petitioner's income was [REDACTED] per month. Therefore, the Department properly found that Petitioner was ineligible for full-coverage MA through the AD Care program.

Since the Department found Petitioner ineligible for full-coverage MA through the AD Care program, the Department determined that the best MA coverage that Petitioner was eligible for was Group 2 MA. Group 2 MA is MA with a monthly deductible, and it is available to clients who are aged or disabled and ineligible for full-coverage MA through the AD Care program. BEM 166 (April 1, 2017), p. 1. Group 2 MA provides health care coverage for any month that (a) an individual's countable income does not exceed the individual's needs as defined in policy, or (b) an individual's allowable medical expenses equal or exceed the amount of the individual's income that exceeds the individual's needs. *Id.* at 2.

In this case, the Department determined that the best MA coverage that Petitioner was eligible to receive was Group 2 MA with a monthly deductible. Group 2 is available to clients who are aged or disabled and ineligible for full-coverage MA through the AD-Care program. *Id.* at 1. Group 2 MA provides health care coverage for any month that: (a) an individual's countable income does not exceed the individual's needs as defined in policy, or (b) an individual's allowable medical expenses equal or exceed the amount of the individual's income that exceeds the individual's needs. *Id.* at 2.

To determine whether an individual's income exceeds his needs, the Department determines the individual's countable income and needs. Countable income is the same as the income that is used to determine eligibility for full-coverage MA through the AD Care program. Needs consist of a protected income limit set by policy, the cost of health insurance premiums, and the cost of remedial services. BEM 544 (January 1, 2020), p. 1-3.

The Department calculated Petitioner's excess income by subtracting the protected income limit from Petitioner's countable monthly income. As stated above, Petitioner's countable monthly income was [REDACTED]. The protected income limit for a household of

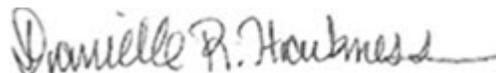
1 in ██████ County was \$391.00 per month. RFT 200 (April 1, 2017) and RFT 240 (December 1, 2013). There was no evidence that Petitioner paid any health insurance premiums or allowable remedial care expenses. Petitioner's excess income was ██████ minus \$291.00, which equals ██████. Therefore, the Department properly determined that Petitioner was eligible for type Group 2 MA coverage with a monthly deductible of ██████ beginning November 1, 2025.

Since Petitioner has a deductible, Petitioner will only be eligible for health care coverage for any month that Petitioner's allowable medical expenses equal or exceed Petitioner's deductible amount. Petitioner did not present any evidence to establish that Petitioner had allowable medical expenses that equaled or exceeded Petitioner's deductible amount. If Petitioner has outstanding medical expenses that equal or exceed Petitioner's deductible amount, Petitioner should provide documentation of those expenses to the Department to obtain health care coverage.

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 its policies and the applicable law when it determined Petitioner's MA eligibility beginning November 1, 2025.

IT IS ORDERED that the Department's decision is **AFFIRMED**.



**DANIELLE R. HARKNESS
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://rs.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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MDHHS-LENAWEE-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner
[REDACTED]
[REDACTED], MI [REDACTED]