



Date Mailed: December 15, 2025
Docket No.: 25-038520
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED] MI [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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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 10, 2025. Petitioner appeared and was represented by her Authorized Hearing Representative (AHR) [REDACTED]. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) benefit case?

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 an ongoing Medical Assistance (MA) recipient.
2. On August 28, 2025, Petitioner completed a redetermination related to her Medical Assistance (MA) benefit case (Exhibit A, pp. 14-20).
3. Petitioner filed taxes and claimed one of her children as a dependent.
4. Petitioner had income from employment (Exhibit A, pp. 21-23).
5. On October 10, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that her MA benefit case was closing effective October 1, 2025, ongoing (Exhibit A, pp. 10-13).
6. On October 16, 2025, Petitioner submitted a request for hearing disputing the Department's actions.

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

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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 was an ongoing MA recipient. On August 28, 2025, Petitioner completed a redetermination related to her MA benefit case. Petitioner was an ongoing MA recipient under the full coverage Healthy Michigan Plan (HMP) program. On October 10, 2025, the Department sent Petitioner notice that her MA benefit case was closing.

The Department concluded that Petitioner was not eligible for HMP because her income exceeded the applicable income limit for her group size. HMP uses a Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (October 2016), p. 1. An individual is eligible for HMP if his household's income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size. BEM 137, p. 1. Additionally, for MAGI-related MA programs, the Department allows a 5 percent disregard in the amount equal to five percent of the FPL level for the applicable family size. BEM 500 (July 2017), p. 5. It is not a flat 5 percent disregard from the income. BEM 500, p. 5. The 5 percent disregard is applied to the highest income threshold. BEM 500, p. 5. The 5 percent disregard shall be applied only if required to make someone eligible for MA benefits. BEM 500, p. 5.

An individual's group size for MAGI-related purposes requires consideration of the client's tax filing status. In this case, Petitioner filed taxes and claimed one of her children as a dependent. Therefore, for HMP purposes, she has a household size of two. BEM 211 (January 2016), pp. 1-2.

138% of the annual FPL in 2025 for a household with two members is \$29,187. See <https://aspe.hhs.gov/poverty-guidelines>. The monthly income limit for a group size of two is \$ 2,432.25. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed \$29,187 annually or \$ 2,432.25 monthly. To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (July 2017), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1.

In order to determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, Social Security benefits, and tax-

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exempt interest. AGI is found on IRS tax form 1040 at line 11, form 1040 EZ at line 4, and form 1040A at line 21. 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. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>. For MAGI MA benefits, if an individual receives RSDI benefits and is a tax filer, all RSDI income is countable. BEM 503 (January 2019), p. 29.

Effective November 1, 2017, when determining eligibility for ongoing recipients of MAGI related MA, the State of Michigan has elected to base financial eligibility on current monthly income and family size. See:

https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf

The Department presented Petitioner’s work number report showing she was paid on September 12, 2025, in the gross amount of \$ [REDACTED] and on September 26, 2025, in the gross amount of \$ [REDACTED]. Petitioner’s combined total earnings for September 2025 was \$ [REDACTED]. Petitioner testified that she did not have any pretax withholdings. Therefore, Petitioner’s countable MAGI based income was \$ [REDACTED], which is over the income limit for her group size.

The Department was correct that the State of Michigan has chosen to base eligibility for ongoing recipients on current income. However, the State MA Plan also states that Michigan has elected to account for a reasonably predictable decrease in future income and/or family size. Specifically, the State MA Plan states, “if an applicant is aware of a reasonably predictable decrease in income (i.e. a seasonal worker) they can fill out the projected annual income field on Michigan’s application. Additionally, a beneficiary that experiences any changes in their income or family size can report it to the Department at any time to have his change taken into account. See: https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf

Petitioner argued that her income fluctuates and that her yearly income is below the income limit for her group size. Petitioner provided her tax documents showing that in 2024, her AGI was \$ [REDACTED], which is under the income limit for the fiscal year of 2025. In 2024, the yearly income limit for HMP for a group size of two was \$28,207.20. Petitioner’s income was below the income limit for her group size. As Petitioner’s yearly income is more reflective of her actual income, as her income fluctuates, Petitioner established that her income is below the limit for HMP MA based on her group size. Thus, the Department failed to establish that it acted in accordance with policy when it closed her MA benefit case.

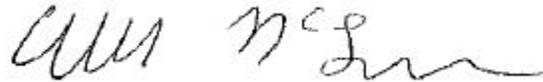
DECISION AND ORDER

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 closed Petitioner's MA benefit case.

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 MA eligibility as of October 1, 2025,
2. Provide Petitioner with MA coverage she is entitled to receive; and
3. Notify Petitioner of its MA decision in writing.



**ELLEN MCLEMORE
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:

Respondent

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Via First Class Mail:

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Authorized Hearing Rep

[REDACTED]
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