



Date Mailed: February 4, 2026

Docket No.: 25-038946

Case No.: [REDACTED]

Petitioner: [REDACTED]

This is an important legal document. Please have someone translate the document.

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

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

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

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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 January 5, 2026. [REDACTED] [REDACTED] Petitioner's Authorized Hearing Representative (AHR) appeared on behalf of Petitioner. Avery Smith, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-16. Petitioner's proposed exhibits were admitted into evidence at the hearing as Petitioner Exhibit 1, pp. 1-40.

ISSUE

Did MDHHS properly determine Petitioner's eligibility for Medicaid (MA) coverage?

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 September [REDACTED] 2025, Petitioner applied for health care coverage, reporting employment income (Exhibit A, pp. 7-10).
2. On October [REDACTED] 2025, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that he was not eligible for MA, effective September 1, 2025 ongoing (Exhibit A, p. 15). MDHHS budgeted Petitioner's annual income as \$ [REDACTED] (Exhibit A, p. 14).
3. On October 27, 2025, Petitioner filed a request for hearing (Exhibit A, p. 3).

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).

Medicaid (MA) 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. MDHHS administers MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2024), p. 1.

In this case, MDHHS denied Petitioner's application for MA due to excess income. At the hearing, MDHHS asserted that Petitioner was over the income limit for Healthy Michigan Plan (HMP) MA and that he failed to return certain requested verifications. However, it is unclear which verifications were at issue from the record.

MA includes several sub-programs or categories. BEM 105, p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Healthy Michigan Plan (HMP) MA provides health care coverage for a category of eligibility authorized under the Patient Protection and Affordable Care Act and Michigan Public Act 107 of 2013 effective April 1, 2014. BEM 137 (January 2024), p. 1. HMP is based on MAGI methodology. *Id.* To be eligible for HMP, an individual's income must be at or below 133% of the Federal Poverty Level (FPL). *Id.* Plan First MA is a MAGI-related limited coverage MA category, that covers services related to family planning and reproductive health. To be eligible for Plan First MA, a person must meet all non-financial eligibility factors, and their income cannot exceed 195% of the FPL. BEM 124 (July 2023), p. 1. Persons may qualify under more than one MA category. BEM 105, p. 3. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

To determine financial eligibility for MAGI-related MA programs, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (April 2022), pp. 5-6. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 4. In order to determine earned income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on IRS tax form 1040 at line 37, 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.¹ 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, and can take into account any reasonably predictable increase or decrease in income.²

At the hearing, AHR disputed the calculation of Petitioner's employment income and credibly testified that Petitioner's income decreased in September 2025. MDHHS may consider any reasonably predictable changes in income when determining eligibility for MAGI-related MA programs. Pursuant to policy, MDHHS is required to request verification when information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. BAM 130 (May 2024), p. 1. Before determining eligibility, MDHHS is required to give the client a reasonable opportunity to resolve any discrepancy between his statements and information from another source. *Id.*, p. 9. MDHHS testified that it based Petitioner's income on the Work Number Report, which is a third-party source. It is unclear whether MDHHS provided Petitioner with an opportunity to dispute the information from the Work Number Report or whether MDHHS attempted to verify Petitioner's decrease in income. Thus, MDHHS failed to establish that it accurately determined Petitioner's eligibility for MA because it did not show that it properly verified Petitioner's income. Additionally, it is unclear whether MDHHS determined Petitioner's eligibility for Plan First MA, which has a higher income limit than HMP.

AHR also testified that Petitioner had dependent children and was responsible for child support. However, Petitioner did not report that he was the caretaker of minor children or that he claimed any dependents on his MA application. Therefore, it is unclear whether Petitioner properly reported his circumstances to MDHHS. Applicants are required to provide complete information to MDHHS and if there is information that is inaccurate or that has changed since Petitioner completed the MA application, he should update MDHHS accordingly.

¹ See Healthcare.gov, Count Income & Household Size, available at <<https://www.healthcare.gov/income-and-household-information/how-to-report/>> (last accessed February 3, 2026).

² Michigan Medicaid State Plan, December 18, 2017, Submission, available at <https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf> (last accessed February 3, 2026).

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 eligibility for MA. Accordingly, MDHHS' decision is **REVERSED**.

MDHHS 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 eligibility for MA, effective September 1, 2025 ongoing;
2. Provide Petitioner with the most beneficial category of MA that he is eligible to receive, effective September 1, 2025 ongoing; and
3. Notify Petitioner of its decision in writing.



**LINDA JORDAN
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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Via First Class Mail:

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