



Date Mailed: December 15, 2025
Docket No.: 25-039141
Case No.: [REDACTED]
Petitioner: [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 unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by JoAnna Rivera.

ISSUE

Did the Department properly determine Petitioner and Petitioner's husband's Medical Assistance (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. Petitioner and her husband were ongoing MA recipients under the full coverage Healthy Michigan Plan (HMP) program.
2. On September 26, 2025, Petitioner completed a redetermination related to their MA benefit case (Exhibit A, pp. 7-11).
3. Petitioner's household consisted of herself, her husband and her four children.
4. Petitioner's husband had income from employment at [REDACTED] (G&G) and [REDACTED] (Applied) (Exhibit A, pp. 13-15).
5. Petitioner had income from employment at G&G and Applied.
6. On August 4, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice informing her that she was approved for MA benefits under the limited coverage Plan First MA program effective September 1, 2025, ongoing (Exhibit A, pp. 22-25).
7. On October 27, 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 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 completed a redetermination related to her MA benefit case. The Department determined that Petitioner and her husband were only eligible under the limited coverage Plan First MA program.

The Department concluded that Petitioner and her husband were not eligible for the full coverage Health Michigan Plan (HMP) program because their 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 and her husband filed taxes and claimed the four children as dependents. Therefore, for HMP purposes, they have a household size of six. BEM 211 (January 2016), pp. 1-2.

138% of the annual FPL in 2025 for a household with six members is \$ 57,904.80. See <https://aspe.hhs.gov/poverty-guidelines>. The monthly income limit for a group size of six is \$4,825.40. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed \$57,904.80 annually or \$ 4,825.40 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.

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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-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. 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 evidence that both Petitioner and her husband were paid by G&G in the gross amount of \$ [REDACTED] per week. Petitioner testified that neither her, nor her husband, had any pretax withholdings. Therefore, Petitioner's household countable income from G&G was \$ [REDACTED]. Petitioner's husband was paid by Applied in the gross amount of \$ [REDACTED] on a biweekly basis and Petitioner was paid by Applied in the gross amount of \$ [REDACTED] on a biweekly basis. Petitioner testified that neither her, nor her husband, had any pretax withholdings. Petitioner's countable household income from Applied was \$ [REDACTED]. Petitioner's total combined income from Applied and G&G was \$ [REDACTED], which is well above the income limit for her household. Therefore, the Department acted in accordance with policy when it determined Petitioner and her husband were not eligible for MA benefits under the HMP program.

Persons may qualify under more than one MA category. BEM 105 (April 2017), p. 2. Federal law gives them the right to the most beneficial category. BEM 105, p. 2. The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. BEM 105, p. 2. Therefore, Petitioner's eligibility under other MA programs should be assessed.

Petitioner and her husband are caretakers of dependent children in their home, and therefore, they are eligible for MA coverage under the Group 2-Caretaker (G2C) MA category. G2C is a Group 2 MA program. Group 2 eligibility for MA coverage is possible even when net income exceeds the income limit for full MA coverage. BEM 105, p. 1. Income eligibility exists under G2C when net income does not exceed the Group 1 needs in BEM 544. BEM 135 (October 2015), p. 2. If the net income exceeds Group 2 needs, MA eligibility is still possible under BEM 545. BEM 135, p. 2. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the

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amount the individual's net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the client's shelter area (county in which the client resides) and fiscal group size. BEM 135, p. 2; BEM 544 (July 2016), p. 1; RFT 240 (October 2017), p. 1.

It is unclear why Petitioner and her husband were not approved for MA benefits subject to a deductible. Therefore, the Department did not act in accordance with policy when determining Petitioner's MA eligibility.

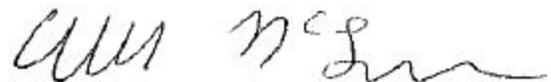
DECISION AND ORDER

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 and Petitioner's husband'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 and Petitioner's husband's MA eligibility as of September 1, 2025, ongoing;
2. Provide Petitioner and her husband with MA benefits they are entitled to receive; and
3. Notify Petitioner of its 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:

Petitioner

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Authorized Hearing Rep

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