



Date Mailed: December 3, 2025

Docket No.: 25-039305

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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

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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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Docket No.: 25-039305

Case No.: [REDACTED]

Petitioner: [REDACTED] [REDACTED]

HEARING DECISION

On October 23, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute public assistance benefits. As a result, a hearing was scheduled to be held on November 25, 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented herself. Respondent Michigan Department of Health and Human Services (Department) had Family Independence Manager Becky Fraser appear as its representative. There were no other participants.

Both parties provided sworn testimony, and one exhibit was admitted into evidence. A 69-page packet of documents provided by the Department was admitted into evidence collectively as Exhibit A.

ISSUES

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefit amount?

Did the Department properly determine Petitioner's Medicaid 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 is a FAP benefit recipient.
2. Petitioner has a household size of three composed of Petitioner and her two children.
3. Petitioner pays \$[REDACTED] per month for rent.
4. Petitioner is responsible for paying her heating/cooling utilities.

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5. Petitioner is employed by [REDACTED] Petitioner works an average of 40 hours per week, Petitioner's pay rate is \$[REDACTED] per hour, and [REDACTED] [REDACTED] pays Petitioner biweekly.
 6. On September [REDACTED] 2025, Petitioner submitted a renewal form to the Department to renew her eligibility for FAP benefits. Petitioner reported her employment in the renewal form.
 7. The Department interviewed Petitioner. The Department documented the interview, and the Department made notations of the following pertinent information:
 - a. Petitioner reported that she claims both her children as tax dependents.
 - b. Petitioner reported that she was employed, and her pay rate was \$[REDACTED] per hour.
 - c. Petitioner reported that she was responsible for paying \$[REDACTED] per month for rent.
 - d. Petitioner reported that she was responsible for paying the following utilities: electricity, phone, and internet.
 8. Petitioner provided the Department with the following paystubs:
 - a. August 29, 2025, paycheck: 80 hours at \$[REDACTED] per hour for total gross pay of \$[REDACTED]
 - b. September 12, 2025, paycheck: 87.75 hours at \$[REDACTED] per hour for total gross pay of \$[REDACTED]
 - c. September 26, 2025, paycheck: 80 hours at \$[REDACTED] per hour for total gross pay of \$[REDACTED]
 - d. October 10, 2025, paycheck: 80 hours at \$[REDACTED] per hour and 1.25 hours at \$[REDACTED] per hour for total gross pay of \$[REDACTED]
 9. The Department redetermined Petitioner's eligibility for FAP benefits, and the Department determined that Petitioner was eligible for a FAP benefit of \$307.00 per month, effective November 1, 2025. The Department determined Petitioner's FAP benefit amount based on the following information:
 - a. Group size of three
 - b. Earned income of \$[REDACTED] per month
 - c. Standard deduction of \$209.00 per month

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- d. Housing costs of \$██████████ per month
 - e. Non-heat electric standard of \$181.00 per month
 - f. Telephone standard of \$31.00 per month
10. On October █████ 2025, the Department mailed a notice of case action to Petitioner to notify her that she was eligible for a FAP benefit of \$██████████ per month, effective November 1, 2025.
 11. The Department redetermined Petitioner's Medicaid eligibility, and the Department determined that Petitioner was no longer eligible for full-coverage Medicaid through the Healthy Michigan Plan because Petitioner's income exceeded the limit. The Department determined that the best Medicaid coverage that Petitioner was eligible for was limited-coverage Medicaid through Plan First. The Department determined Petitioner's Medicaid eligibility based on a household size of three and a modified adjusted gross income of \$3,235.00 per month.
 12. On October █████ 2025, the Department mailed a healthcare coverage determination notice to Petitioner to notify her that she was eligible for limited-coverage Medicaid through Plan First, effective November 1, 2025.
 13. On October █████ 2025, Petitioner contacted the Department and informed the Department that she is responsible for her heating/cooling utilities. The Department redetermined Petitioner's FAP benefit amount with the heat/utility standard, and the Department determined that Petitioner was eligible for a FAP benefit of \$██████████ per month, effective November 1, 2025. The Department determined Petitioner's FAP benefit amount based on the following information:
 - a. Group size of three
 - b. Earned income of \$██████████ per month
 - c. Standard deduction of \$209.00 per month
 - d. Housing costs of \$██████████ per month
 - e. Heat/utility standard of \$682.00 per month
 14. On October █████ 2025, the Department mailed a notice of case action to Petitioner to notify her that she was eligible for a FAP benefit of \$██████████ per month, effective November 1, 2025.
 15. Petitioner requested a hearing to dispute her FAP benefit amount and her Medicaid eligibility.

CONCLUSIONS OF LAW

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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).

FOOD ASSISTANCE

The Food Assistance Program (FAP) 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, the Department determined that Petitioner was eligible for a maximum FAP benefit of \$[REDACTED] per month, effective November 1, 2025. Petitioner is disputing her FAP benefit amount. Thus, the issue is whether the Department properly determined Petitioner's FAP benefit amount.

The Department determines a client's monthly FAP benefit amount by determining the client's group size and net household income and then looking that information up in its applicable Food Issuance Table. BEM 212 (June 1, 2025), BEM 213 (October 1, 2024), BEM 550 (April 1, 2025), BEM 554 (October 1, 2025), BEM 556 (October 1, 2025), RFT 255 (October 1, 2025), and RFT 260 (October 1, 2025).

Petitioner reported that she was working 40 hours per week, her pay rate was \$[REDACTED] per hour, and she was paid biweekly. Thus, Petitioner reported that she was receiving gross earned income of \$[REDACTED] biweekly. All income must be converted to a standard monthly amount when the Department budgets income. BEM 505 (June 1, 2025), p. 8. Biweekly income is multiplied by 2.15 to convert it to a standard monthly amount. *Id.* Thus, the standard monthly amount of Petitioner's earned income was \$[REDACTED].

Based on Petitioner's gross earned income of \$[REDACTED] per month, Petitioner's housing cost of \$[REDACTED] per month, and Petitioner's obligation to pay her heating/cooling utilities, Petitioner's net income was \$[REDACTED] per month. Based on Petitioner's net income of \$[REDACTED] and Petitioner's group size of three, the maximum FAP benefit amount that Petitioner was eligible for was \$[REDACTED] per month. Accordingly, the Department properly determined that Petitioner was eligible for a FAP benefit amount of \$[REDACTED] per month, effective November 1, 2025.

Although Petitioner may have additional expenses, and Petitioner may not have a net income of \$[REDACTED] per month to live on, the Department properly used the maximum deductions and standards that it was permitted to use to calculate Petitioner's FAP benefit amount, and the Department properly determined the maximum FAP benefit amount that Petitioner was eligible for.

MEDICAID

Medicaid is known as Medical Assistance (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 this case, Petitioner is disputing the Department's decision to find her ineligible for full-coverage Medicaid. Thus, the issue here is whether the Department properly determined that Petitioner was ineligible for full-coverage Medicaid.

Medicaid coverage for adults is available through the Healthy Michigan Plan. In order for an individual to be eligible for full-coverage Medicaid through the Healthy Michigan Plan, the individual must be aged 19 to 64, and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (January 1, 2024), p. 1. However, a 5% disregard is available to make those individuals eligible who would otherwise not be eligible. BEM 500 (April 1, 2022), p. 5. The 5% disregard increases the income limit by an amount equal to 5% of the FPL for the household size. *Id.* at 5.

An individual's household size is determined based on tax filer and tax dependent rules. BEM 211 (October 1, 2023), p. 1. For tax filers, the household size includes the tax filer, the tax filer's spouse, and all dependents claimed. *Id.* at 1-2. Here, Petitioner's household size is three because Petitioner is not married and Petitioner claims two dependents.

The FPL for a household size of three in 2025 is \$26,650.00. 90 FR 5917 (January 17, 2025). Since the applicable FPL is \$26,650.00, 133% of the FPL is \$35,444.50, and 133% with a 5% disregard is \$36,777.00. Thus, the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan is \$36,777.00 per year.

Income eligibility is based on modified adjusted gross income (MAGI) for Healthy Michigan. BEM 137 at 1 and 7 CFR 435.603. MAGI is defined as adjusted gross income increased by (1) excluded foreign income, (2) tax exempt interest, and (3) the amount of social security benefits excluded from gross income. 26 USC 36B(d)(2)(B). Adjusted gross income is that which is commonly used for Federal income taxes, and it is defined as gross income minus deductions for business expenses, losses on the sale or exchange of property, retirement contributions, and others. 26 USC 62.

The Department begins its income determination by examining a client's self-reported income. BEM 500 at 5. If the client's self-reported income is over the income limit, then the client is ineligible. *Id.* If the client's self-reported income is below the income limit, the Department compares the client's self-reported income to income obtained from

trusted sources to determine if the two are compatible. *Id.* Income is compatible if the difference between the two is 10% or less. *Id.* If the two are compatible, then the Department uses the client's self-reported income. *Id.* If the two are not compatible and the income obtained from trusted sources is over the income limit, then the Department requires the client to provide proof of the self-reported income. *Id.* at 5-6.

Based on the evidence presented, Petitioner's self-reported income was over the income limit. Petitioner reported that she was working 40 hours per week, and she reported that she was getting paid \$[REDACTED] per hour, so Petitioner's self-reported income was the equivalent of \$[REDACTED] per year. Petitioner's self-reported household income was the same as her household MAGI. Thus, Petitioner's household MAGI was \$[REDACTED] which exceeded the income limit for Petitioner to be eligible for full-coverage Medicaid through the Healthy Michigan Plan. Accordingly, the Department properly determined that Petitioner was ineligible for full-coverage Medicaid through the Healthy Michigan Plan.

The Department found Petitioner eligible for limited-coverage Medicaid through Plan First because the Department determined that it was the best Medicaid coverage that Petitioner was eligible for. Coverage through Plan First is limited because it only covers family planning services. The income limit for limited-coverage Medicaid through Plan First is 195% of the FPL. BEM 124 (July 1, 2023), p. 1. Petitioner's MAGI was less than the income limit, so the Department properly found Petitioner eligible for limited-coverage Medicaid through Plan First.

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 FAP benefit amount, and the Department acted in accordance with its policies and the applicable law when it determined Petitioner's Medicaid eligibility.

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



JEFFREY KEMM
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:

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Via First Class Mail:

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