



**Date Mailed:** January 8, 2026  
**Docket No.:** 25-039473  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

[REDACTED]  
MI [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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**Docket No.:** 25-039473

**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 9, 2025. Petitioner appeared and was represented by [REDACTED], mother and Authorized Hearing Representative (AHR). The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Devona Gilbert, Hearing Facilitator (HF).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-56.

### **ISSUE**

Did the Department properly determine Petitioner's eligibility for Food Assistance Program (FAP), State Disability Assistance (SDA), and Medical Assistance (MA) benefits?

### **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 and SDA benefits. The reported household members were Petitioner and her husband, [REDACTED]. Petitioner reported she was disabled. Employment income for Petitioner at [REDACTED] and for Petitioner's husband at [REDACTED] were reported. (Exhibit A, pp. 9-16)
2. On October 4, 2025, a Redetermination form was sent to Petitioner for the FAP case. (Exhibit A, p. 17)
3. October 6, 2025 case comments note that the application was being processed and the worker spoke with Petitioner. Petitioner was already active for FAP benefits. Petitioner reported marrying [REDACTED] on July 11, 2025. A report from The work Number verified Petitioner's reported employment with [REDACTED]. Petitioner reported she has cancer and her last day worked was September 23, 2025. The need for verification of the employment income ending was discussed. The comments indicate Petitioner's FAP case would be updated to add Petitioner's

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husband and his income, which was already in Bridges. Petitioner's husband had been listed on different FAP case, which was closed. A system error was corrected to allow Petitioner's husband to be added to Petitioner's FAP case (Exhibit A, p. 19)

4. On October 6, 2025, a Verification Checklist was issued to Petitioner requesting verification of her job loss and final paystub from [REDACTED] with a due date of October 16, 2025, as well as documentation of disability. (Exhibit A, pp. 20-22)
5. An October 7, 2025 case comment documents that the September 26, 2025 application was used to process the FAP redetermination. (Exhibit A, p. 19)
6. On October 7, 2025, a Verification Checklist was issued for the FAP case requesting verification of job loss and final paystub from [REDACTED] with a due date of October 16, 2025. (Exhibit A, pp. 23-26)
7. On October 7, 2025, a Verification Checklist was issued for the MA case requesting verification of Petitioner's husband's checking account, Petitioner's 401k, and savings account for Petitioner and her husband with a due date of October 17, 2025. (Exhibit A, pp. 27-28)
8. The Department determined that the household income, after allowable deductions, exceeded the payment standard for SDA of \$200.00. (Exhibit A, pp. 33-34)
9. On October 7, 2025, a Notice of Case Action was issued indicating SDA was denied because countable income exceeds the limit for this program. (Exhibit A, pp. 29-32)
10. The Department determined that: Petitioner did not meet criteria for several full coverage MA categories based on her age, not being pregnant, and not being a parent or caretaker relative on someone under 19; and household income exceeding the limit for MA under the Healthy Michigan Plan. (Exhibit A, pp. 39-43)
11. On October 7, 2025, a Health Care Coverage Determination Notice was issued to Petitioner indicating MA was denied as of November 1, 2025 because Petitioner was not under 21, pregnant, caretaker of a minor child in the home, over age 65, blind, or disabled. (Exhibit A, pp. 35-38)
12. On October 17, 2025, Petitioner submitted a hearing requested contesting the Department's actions regarding FAP, SDA, and MA benefits. (Exhibit A, pp. 5-7)
13. On October 20, 2025, the Department was able to verify Petitioner's job loss with a report from The Work Number and eligibility was determined for FAP benefits. (Exhibit A, pp. 18 and 53-56)

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14. On October 20, 2025, a Notice of Case Action was issued to Petitioner approving FAP benefits for the household of two effective October 1, 2025 in the amount of \$24.00. (Exhibit A, pp. 44-51)
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### **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).

#### **SDA**

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

For SDA, the certified group included the individual and the individual's spouse who lives with the individual and does not receive FIP, Refugee Cash Assistance, or a refugee matching grant. BEM 214, April 1, 2019, p. 2. The certified group must be in financial need to receive benefits. Need is determined to exist when budgetable income is less than the payment standard established by the department. BEM 515, February 1, 2024, p. 1.

In this case, Petitioner's certified group for SDA included Petitioner and her husband. The Department determined that the household income, after allowable deductions, exceeded the payment standard of \$200.00. (Exhibit A, pp. 33-34). Accordingly, on October 7, 2025, a Notice of Case Action was issued indicating SDA was denied because countable income exceeds the limit for this program. (Exhibit A, pp. 29-32). Petitioner's AHR did not indicate any disagreement with the SDA denial. (AHR Testimony). The Department's determination to deny SDA due to excess income was in accordance with Department policy.

#### **MA**

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.

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The Medicaid program is comprised of several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

For MAGI related MA categories, such as MA-HMP, the group composition for an individual who is not claimed as a tax dependent includes a spouse. BEM 211, October 1, 2023, p. 2. The 2025 FPL for the 48 contiguous states and the District of Columbia for a group size of two is an annual income of \$21,150.00. 133% of the FPL would be an annual income of \$28,129.50. This equates to a monthly income limit for MA-HMP of \$2,344.13. (Exhibit A, pp. 42-43). The Department counts the gross wage amount as earned income. BEM 501, October 1, 2025, pp. 6-7.

MA AD CARE is an SSI-related group 1 MA category. This category is available to persons who are aged or disabled (AD). Net income cannot exceed 100% of the poverty level. BEM 163, July 1, 2017, p. 1. Group 2 aged, blind, and disabled (Group 2 MA) is an SSI related MA category that available to a person who is aged (65 or older), blind or disabled. BEM 105, January 1, 2024, p. 5; BEM 166, April 1, 2017, p. 1. Breast and Cervical Cancer Prevention and Treatment Program (BCCPTP) is a Group 1 Medicaid category for women. BEM 173, October 1, 2016, p. 1.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories.

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For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Income eligibility exists for all or part of the month tested when there is no excess income or the medical group's allowable medical expenses equal or exceed the fiscal group's excess income. BEM 545, July 1, 2022, p. 1-3. Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called a deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545, July 1, 2022, p. 10-12.

In this case, it appears that the Department re-determined Petitioner's eligibility for MA when Petitioner reported she was married. This changed the group composition and Petitioner's spouse's income was considered in the eligibility determination. The Department determined that: Petitioner did not meet criteria for several full coverage MA categories based on her age, not being pregnant, and not being a parent or caretaker relative on someone under 19; and household income exceeding the limit for MA under the Healthy Michigan Plan. Specifically, Petitioner's spouse's monthly income of \$ [REDACTED] exceeded the MA-HMP income limit of 133% of the FPL limit for a group size of two of \$2,344.13. (Exhibit A, pp. 39-43). On October 7, 2025, a Health Care Coverage Determination Notice was issued to Petitioner indicating MA was denied as of November 1, 2025 because Petitioner was not under 21, pregnant, caretaker of a minor child in the home, over age 65, blind, or disabled. (Exhibit A, pp. 35-38).

However, Petitioner had reported a disability on the [REDACTED] 2025 assistance application. (Exhibit A, p. 12). It does not appear that the Department requested the verifications needed to review disability for determining MA eligibility prior to the October 7, 2025 determination. The Department should have done so before denying MA under the disability related MA categories. It was noted that Petitioner was subsequently found disabled by the Social Security Administration (SSA) and the Department was re-determining MA eligibility under the disability related MA categories. The Department was also reviewing MA eligibility under the Breast and Cervical Cancer Prevention and Treatment Program category. (HF Testimony).

Overall, the October 7, 2025 MA eligibility determination cannot be upheld because Petitioner had reported a disability on the [REDACTED] 2025 assistance application and the documentation needed to review eligibility under the disability related MA categories was not requested before the determination was made.

**FAP**

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The Food Assistance Program (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.

For FAP, a shelter expense is allowed when the FAP group has a shelter expense or contributes to the shelter expense. BEM 554, (October 1, 2025), p. 15. The heat/utility (h/u) standard covers all heat and utility costs including cooling, except actual utility expenses, for example, installation fees etc. FAP groups that qualify for the h/u standard do not receive any other individual utility standards. FAP groups whose heat is included in their rent may still qualify for the h/u standard. Some additional ways include but are not limited to, receipt of the Home Heating Credit (HHC) or a Low Income Home Energy Assistance Payment (LIHEAP). The amount of either payment must be greater than \$20 in the month of application or in the immediately preceding 12 months prior to the application month. BEM 554, pp. 19-20. FAP groups who pay for cooling (including room air conditioners) are eligible for the h/u standard if, they have the responsibility to pay for non-heat electric. BEM 554 pp. 21-22. FAP groups not eligible for the h/u standard who have other utility expenses or contribute to the cost of other utility expenses are eligible for the individual utility standards. Use the individual standard for each utility the FAP group has responsibility to pay. BEM 554 p. 27.

In this case, the Department determined FAP eligibility for Petitioner's household once they were able to verify that Petitioner's employment ended. On October 20, 2025, a Notice of Case Action was issued to Petitioner approving FAP for the household of two effective October 1, 2025 in the amount of \$24.00. (Exhibit A, pp. 44-51). Petitioner's AHR did not have any questions or anything she wanted to add regarding the FAP determination. (AHR Testimony). The budget summary shows that the Department properly considered Petitioner's spouse's income, child support payments, housing cost, and the full h/u standard. (Exhibit A, p. 45). The Department's determination for FAP eligibility was in accordance with Department policy.

### **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 Department policy when it determined Petitioner's eligibility for SDA and FAP, but failed to satisfy its burden of showing that it acted in accordance with Department policy when it made the October 7, 2025 MA eligibility determination.

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to SDA and FAP and **REVERSED IN PART** with respect to MA.

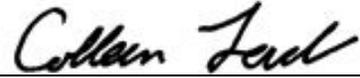
THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS

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HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS  
DECISION AND ORDER:

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\_\_\_\_\_  
\_\_\_\_\_

1. If they have not already done so, redetermine Petitioner's eligibility for MA as of the November 1, 2025 effective date.



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**COLLEEN LACK**  
**ADMINISTRATIVE LAW JUDGE**

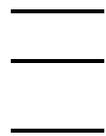
**APPEAL RIGHTS:** Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at [courts.michigan.gov](https://courts.michigan.gov). 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](mailto: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.

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**Via Electronic Mail:**

**Respondent**

SAGINAW COUNTY DHHS  
411 E GENESEE AVE  
PO BOX 5070  
SAGINAW, MI 48607  
**MDHHS-SAGINAW-HEARINGS@MICHIGAN.GOV**

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
MI [REDACTED]

**Authorized Hearing Rep**

[REDACTED]  
MI [REDACTED]