



Date Mailed: December 19, 2025
Docket No.: 25-039721
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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Date Mailed: December 19, 2025

Docket No.: 25-039721

Case No.: [REDACTED]

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 December 17, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Markita Allen, Assistance Payments Worker.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) Program 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's daughter [REDACTED] [REDACTED] (Daughter—age 12) was previously a Supplemental Security Income (SSI) recipient, but her SSI benefit ended over the summer.
2. Daughter was previously an MA for SSI Recipients beneficiary, but when she lost her SSI benefit, she was transferred to MA for terminated SSI recipients for three months.
3. On September [REDACTED] 2025, the Department received Petitioner's application for Daughter for MA benefits indicating they were the only members of the household, that Petitioner had employment income, and that Daughter had a disability.
4. On September [REDACTED] 2025, the Department received a completed Health Care Coverage Supplemental Questionnaire indicating Petitioner received child support and pay stubs for Petitioner dated August 29, 2025; September 12, 2025; and September 26, 2025, each showing gross wages of \$[REDACTED]
5. A review of the consolidated inquiry showed that Petitioner also had income as an Adult Home Help Provider totaling \$[REDACTED] per month from June 2025 through

September 2025 and child support income for July through September 2025 totaling \$82.00 per month.

6. On October [REDACTED] 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that Daughter was eligible for MA coverage with a deductible of \$[REDACTED] per month effective September 2025. The Department made no effort to review Daughter's disability status.
7. On October 30, 2025, the Department received Petitioner's request for hearing disputing the Department's determination of MA eligibility for Daughter.

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 disputes the Department's determination of a deductible for Daughter in the amount of \$[REDACTED]. Children over age one and under age 19 are potentially eligible for three programs: (1) the Under Age 19 (U19) program; (2) the MiChild program; and (3) the Group 2 Under 21 (G2U) program. BEM 105 (January 2024), pp. 1, 3-4; BEM 130 (January 2024), p. 1; BEM 131 (January 2022), p. 1; BEM 132 (April 2018), p. 1. The U19 and MiChild programs are Modified Adjusted Gross Income (MAGI)-related Group 1 MA categories, meaning that these categories provide full-coverage MA without a deductible for children whose household's income, calculated in accordance with MAGI rules, meets the income eligibility limits. BEM 131, p. 1. Children whose household income exceeds the income limit for U19 or MiChild eligibility are eligible for MA under the G2U category, with a deductible equal to the amount the child's net income (countable income minus allowable income deductions) which exceeds the applicable Group 2 MA protected income level (PIL) based on the county in which the child resides and child's fiscal group size. BEM 132, p. 2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. Under federal law, the child is entitled to the most beneficial category, which is the one that results in eligibility, the least amount of excess income, or the lowest cost share. BEM 105, p. 2.

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In this case, the Department concluded that Daughter was ineligible for MA coverage under either the U19 or MICHild categories. There are three U19 categories for children over age 6 and under 19: the Low Income Families (LIF) program applies when the household's income does not exceed 54% of the federal poverty level (FPL); the Other Healthy Kids (OHK) program applies when the household's income is between 54% and 110% of the FPL; and the Healthy Kids Expansion (HKE) program applies when the household's income is between 110% and 160% of the FPL. BEM 131, p. 1. A child between age 1 and 18 whose household income is between 161% and 212% of the FPL is income eligible for MICHild. BEM 130, pp. 1-2.

In order to determine income eligibility for MAGI-related U19 and MICHild programs, the household's MAGI income must be considered. In this case, Petitioner and Daughter live together. The household of a tax dependent of someone else is the household of the tax filer claiming them as a dependent. BEM 211, p. 2. Therefore, Daughter's group size is two. 4 CFR 435.603(f)(2-3). The FPL for a group size of two in 2025 is \$21,150; therefore, 160% of the annual 2025 FPL for HKE eligibility for a two-person household is \$33,840, or \$34,897.50 when the 5% disregard is applied (\$2,908.13 per month). 212% of the annual 2025 FPL for MICHild eligibility for a two-member household is \$44,838, or \$45,895.50 when the 5% disregard is applied (\$3,824.63 per month). See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>.

To determine financial eligibility under these programs, income must be calculated in accordance with MAGI under federal tax law. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500 (April 2022), pp. 3-4. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1. In determining an individual's eligibility for MAGI-related MA, the Department bases financial eligibility on current monthly household income. Centers for Medicare & Medicaid Services, *State Plan Amendment 17-0100 Approval Notice*, (March 19, 2018), p. 7. MAGI is calculated by reviewing the client's adjusted gross income (AGI) and adding it to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* < <https://www.healthcare.gov/glossary/modified-adjusted-gross-income-magi/> > (accessed May 6, 2025). AGI is found on IRS Tax Form 1040 at line 11. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* <https://www.healthcare.gov/glossary/adjusted-gross-income-agi/> > (accessed May 6, 2025). 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. HealthCare.gov, *Modified Adjusted Gross Income (MAGI)* < <https://www.healthcare.gov/income-and-household-information/how-to-report/> > (accessed May 6, 2025). In situations where income is difficult to predict because of unemployment, self-employment, commissions, or a work schedule that changes regularly, income should be estimated based upon past experiences, recent trends, possible changes in the workplace, and similar information. *Id.*

In determining Petitioner's eligibility, the Department considered Petitioner's home help earnings, pension, and RSDI income in addition to Daughter's wages and RSDI income. Petitioner and Daughter have employment income for Petitioner, Adult Home Care Provider earnings, and child support. Total household income for the month of application, September 2025, was \$[REDACTED]. There was no evidence of any deductions for health insurance, retirement accounts, or other items. Therefore, the gross income is the MAGI which is greater than the 212% MiChild income limit even after consideration of the 5% disregard.

Even though Daughter is not eligible for MA under any of the full-coverage MAGI-related policies, the Department concluded that she was eligible for MA under the G2U category, with MA subject to a monthly deductible of \$4,806.00. An individual under age 21 who is not eligible for MA under MAGI-related policies is eligible for MA under the Group 2 Under 21 (G2U) category (a non-MAGI-related MA category) when the client meets all eligibility requirements other than income. BEM 132, p. 1. In such cases, the client is eligible for MA coverage with a deductible, with the deductible equal to the amount the net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL). BEM 132, p. 2; BEM 544, p. 1; RFT 240, p. 1; RFT 200 (April 2017), p. 3.

The Department presented a G2-FIP-related MA budget showing the calculation of the deductible effective September 2025. The PIL for Daughter who lives with Petitioner (group size of 2 for G2U purposes) in [REDACTED] County is \$541.00. BEM 211, p. 8; RFT 240, p. 1; RFT 200, p. 2.

Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544 and all policies found in BEM 500, 530, and 536 are applied to determine net income. BEM 132, p. 2. The G2U net income calculation starts with determining Petitioner's net income. Petitioner has earned income from home help services of \$[REDACTED] per month and employment income of \$[REDACTED] for a total of \$[REDACTED]. BEM 536 (July 2019), p. 1. Next, \$90 is deducted from countable earnings for a total of \$[REDACTED]. *Id.* Step 3 requires a deduction of \$30 plus 1/3 of the fiscal group's remaining earned income if they received Family Independence Program (FIP) or Low-Income Family (LIF) benefits in the last four months, which there was no evidence of in this case. *Id.* Step 4 deducts any dependent care expenses arising from the cost of employment but again there was no evidence of this expense here. BEM 536, p. 2. Steps 5 and 6 consider child support received. Daughter received \$[REDACTED] in September 2025 and there is a \$50.00 disregard applied in Step 6 bringing the new total to \$[REDACTED] and \$[REDACTED] respectively. Next, Step 7 looks to unearned income of which there was no evidence here. Next, there is a deduction for any court ordered support and guardian or conservator expenses which are not relevant to this case. BEM 536, p. 3. Step 11 considers the number of dependents in the home. BEM 536, p. 4. Dependents include the person's spouse and children who are unmarried and under age 18 except when the individual being considered is the dependent. *Id.* Petitioner's

household includes herself and her daughter under age 18. Therefore, the number of dependents is one for purposes of G2U calculations for Petitioner and 0 for Daughter. *Id.* In Step 12, the prorated divisor is calculated by adding the number of dependents to 2.9 for a total of 3.9 for Petitioner and 2.9 for Daughter. *Id.* The prorated divisor is used to calculate Petitioner's prorated share of her income of \$ [REDACTED] and Daughter's of \$ [REDACTED]. Finally, a child's fiscal group's net income is the total of the child's net income (\$32.00 in this case) plus 3.9 prorated shares of their parent's income (\$5,315.70) plus one prorated share of each parent's income if both parents are in the home and they are married, which does not apply in this case. Therefore, in this case, the child's fiscal group's net income is \$ [REDACTED].

The remainder of the calculations are governed by BEM 544 and 545. BEM 536, p. 7. Deductions are given for insurance premiums and remedial services. BEM 544, pp. 1-2. There was no evidence of any health insurance premiums or remedial services which produce the maximum reduction of physical and mental limitations and restore an individual to their best possible functioning level for Petitioner or Daughter. BEM 544, p. 2. Once the health insurance premiums and remedial services are considered, the PIL of \$541.00 is subtracted to calculate the deductible. After consideration of these three items, Daughter's deductible is \$ [REDACTED] (dropping the cents). The Department has properly calculated Daughter's G2U deductible.

Finally, Federal Regulations provide that the Department must provide the most advantageous MA coverage available. BEM 105, p. 2. In this case, the Department failed to consider or review Daughter's disability status to determine whether she might be eligible for a disability related MA category. Because the Department failed to evaluate her disability status, the Department has not shown that it properly determined Daughter's MA eligibility.

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 it determined Daughter'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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Daughter'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

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

1. Reprocess Daughter's September 2025 MA application;
2. If otherwise eligible, issue MA coverage on behalf of Daughter for benefits not previously received; and,
3. Notify Petitioner in writing of its decision.



AMANDA MARLER
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.

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Via Electronic Mail:

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Via First Class Mail:

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