

Date Mailed: December 15, 2025

Docket No.: 25-040005

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 Lori Turner, Eligibility Specialist. Youssef Taha served as interpreter (Arabic).

A 25-page hearing packet was admitted into evidence as MDHHS's Exhibit A.

ISSUE

Did the Department properly determine that Petitioner and his wife were eligible for Medicaid (MA) subject to a monthly \$1,075 deductible?

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 his wife (Wife) were ongoing recipients of MA.
2. Petitioner and Wife live together in [REDACTED] County with a [REDACTED]-year-old daughter (Daughter) and [REDACTED]-year-old son (Son). (Exhibit A, p. 15)
3. Petitioner is [REDACTED] years old, and Wife [REDACTED] 67 years old. (Exhibit A, p. 15)
4. Petitioner receives monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits of [REDACTED]
5. In connection with a redetermination, Petitioner reported that Wife's income from RSDI had increased to [REDACTED] monthly. (Exhibit A, p. 16)
6. Petitioner and Wife were approved for Medicare Savings Program benefits effective September 1, 2025, and the State pays their Part B Medicare premium.
7. On September 30, 2025, MDHHS sent Petitioner a Health Care Coverage Determination Notice (HCCDN) notifying him that he was approved for MA subject

25-040005

to a monthly \$1,075 deductible. The deductible amount decreased to \$892 for the month of October 2025 only. (Exhibit A, pp. 8-13)

8. On October 15, 2025, MDHHS received Petitioner's hearing request disputing the MA coverage deductible for himself and Wife.

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.

Petitioner requested a hearing to dispute his and Wife's loss of full-coverage MA and their monthly MA deductible. At the time of Petitioner's hearing request, Petitioner and Wife received MA under the G2C program with a monthly MA deductible of \$1,075.

Under federal law, Petitioner and Wife are entitled to the best available MA coverage they are eligible to receive based on their income and other eligibility criteria. BEM 105 (January 2024), p. 2. As individuals over age 65, Petitioner and Wife may be eligible for MA under an SSI-related category, including the full-coverage Ad-Care program or, if they have excess income, under the Group 2 SSI-related (G2S) program. BEM 105, p. 1. Additionally, as the parent of a minor child, they may also be eligible for MA under the Parent/Caretaker/Relative (PCR) program under the full-coverage Low-Income Family (LIF) category or, if they have excess income, under the Group 2 Caretaker (G2C) program. BEM 105, p. 1; BEM 110 (April 2018), p. 1; BEM 135 (October 2015), p. 1. Because Petitioner and Wife are over age 65, they are not eligible for MA under the Healthy Michigan Plan. See BEM 137 (June 2020), p. 1.

LIF is a full-coverage MAGI-related MA category. BEM 110, p. 2. In the July 5, 2025 redetermination Petitioner submitted to the Department, he indicates he is a tax filer. For MAGI-related categories, group size for a tax filer who is not claimed as a tax dependent consists of the individual, and, if living with the individual, the individual's spouse and children under the age of 19 (or under the age of 21 if the child is a full-time student). BEM 211 (October 2023), pp. 1-2. Therefore, Petitioner's group for MAGI purposes is four and consists of him, Wife, his minor child, Daughter, and Son, who was ■ and a college student according to Petitioner.

An individual may be eligible for MA under PCR if his monthly income is under 54% of the federal poverty level for the applicable group size. BEM 110 (April 2018), p. 1. Monthly income at 54% of the federal poverty level in 2025 for a four-person tax group is [REDACTED] <https://aspe.hhs.gov/2020-poverty-guidelines>. Additionally, a 5% disregard equal to 5% of the federal poverty level for the applicable group size is applied to the highest income threshold only if required to make someone eligible for MA. Application of the 5% threshold increases the limit for PCR eligibility for a four-person group to [REDACTED] monthly. When determining eligibility for MAGI-related MA, all RSDI income is countable to tax-filers and adults not claimed as dependents; a child/tax-dependent's RSDI is counted only if that child or tax-dependent is required to file taxes. BEM 503 (September 2020), p. 30. Because there was no evidence that Daughter was required to file taxes, her RSDI income is not considered in determining Petitioner and Wife's eligibility for MAGI-related MA. Only Petitioner's and Wife's income is considered in determining their eligibility for MA coverage under PCR. Because Petitioner's monthly RSDI benefits of [REDACTED] plus Wife's 2025 monthly RSDI benefits of [REDACTED] total [REDACTED] their combined income exceeds the limit for PCR eligibility, even after the 5% disregard is considered. Therefore, Petitioner and Wife are not eligible for MA under the PCR program.

Because Petitioner and Wife are over age 65, they are also potentially eligible to receive full-coverage benefits under the Ad-Care program if they are income eligible based on their MA fiscal group size for SSI-related MA. BEM 163 (July 2017), pp. 1-2. Because Petitioner and Wife are married, their fiscal group size for purposes of the Ad-Care program is two. BEM 211, p. 8. Starting in April 2025, the income limit under the Ad-Care program where there are two members in the MA fiscal group is [REDACTED] BEM 163, p. 2; RFT 242 (April 2021), p 1.

Only Petitioner's and Wife's income, not Daughter's, is considered in determining income-eligibility for Ad-Care. BEM 211, p. 8. Petitioner's and Wife's monthly RSDI income in 2025, which totals [REDACTED] reduced by the \$20 disregard provided in policy, exceeds the income limit for Ad-Care eligibility. See BEM 541 (January 2021), p. 3. Therefore, Petitioner and Wife are not eligible for MA under the Ad-Care program.

Despite having excess income for Ad-Care or PCR eligibility, Petitioner and Wife are potentially eligible for MA coverage under a Group 2 deductible program, which provides for MA coverage subject to a monthly deductible for individuals with excess income. Under a deductible program, a client is eligible for MA coverage with a monthly deductible equal to the amount the individual's net income, calculated in accordance with the applicable Group 2 MA policy, exceeds the applicable Group 2 MA protected income level (PIL). The PIL is based on the county in which the client resides and the client's fiscal MA group size. BEM 135, p. 2; BEM 544 (January 2020), p. 1. Petitioner's group size for Group 2 purposes is two. BEM 211, p. 9. The PIL for [REDACTED] County, where Petitioner and Wife reside, for a two-person Group 2 MA group is \$500. RFT 200 (April 2017), p. 2; RFT 240 (December 2013), p. 1.

Because Petitioner and Wife are over age 65 and parents of a minor child, they are eligible for MA subject to a deductible under both a Group 2 SSI-related (G2S) MA category and a Group 2 Caretaker/Relative (G2C) MA category. A review of this matter shows that the deductible under G2S, even with the allocation for non-SSI related children, which provides for a deduction for minor children with RSDI income less than [REDACTED] would be in an amount greater than the deductible under G2C. Therefore, G2C would provide the lowest deductible and, as such, is the most beneficial Group 2 deductible program Petitioner and Wife may be eligible for. BEM 105, p. 2; BEM 135 (October 2015), p. 1.

To show how the \$1,075 deductible was calculated, the Department presented MA budgets for G2C coverage. (Exhibit A, pp. 24, 25) In calculating Petitioner's and Wife's income for G2C purposes, first their respective prorated income must be calculated. Petitioner's prorated income is based on his gross monthly RSDI income and having two dependents (defined to include a spouse and any children under age 18) in the household. See BEM 536 (July 2019), pp. 1-7 (for calculating net income for Group 2 MA programs) and BEM 530 (April 2020), pp. 3-4 (for prospecting income for Group 2 MA programs). For purposes of the G2C program, Petitioner's prorated income is calculated by dividing his gross monthly RSDI income of [REDACTED] by 4.9, which is the applicable prorate divisor when there are two dependents in the household. Based on this calculation, the Department properly concluded that Petitioner's prorated income is \$280. Because Petitioner has dependents, including a spouse, in the household, this figure is multiplied by 2.9 to arrive at Petitioner's share of his own income, or \$812, which is consistent with that shown on the budget. Because Wife has monthly RSDI income of [REDACTED] her prorated income is [REDACTED] and Wife's share of her own income is [REDACTED]

An adult's *fiscal group's net income* is the sum of (i) the adult's net income if the adult has no dependents or 2.9 prorated shares of the adult's own income if the adult has dependents, and (ii) if the spouse is in the adult's fiscal group, 3.9 prorated shares of the spouse's own income plus one prorated share of the adult's income. Applying this formula, Petitioner's fiscal group's net income is [REDACTED] (his [REDACTED] prorated income multiplied by 2.9) plus [REDACTED] (the sum of Wife's [REDACTED] prorated income multiplied by 3.9, or [REDACTED] plus Petitioner's [REDACTED] prorated share of his income), for a total of [REDACTED] Wife's fiscal group's net income is [REDACTED] (her [REDACTED] prorated income multiplied by 2.9) plus [REDACTED] (the sum of Petitioner's [REDACTED] prorated income multiplied by 3.9, or [REDACTED] plus Wife's [REDACTED] prorated share of her income), for a total of [REDACTED] The budgets show that Petitioner's and Wife's fiscal group's net income was properly calculated.

The adult's fiscal group's net income is reduced by allowable needs deductions, which consist of health insurance premiums paid by the household and remedial service expenses incurred by individuals in adult foster care of home for the aged. BEM 544 (January 2020), pp. 2-3. Petitioner and Wife do not reside in adult foster care or a home for the aged and are therefore not eligible for a deduction for remedial services. MDHHS testified that Petitioner and Wife were approved for the Medicare Savings Program and do not pay for their Part B Medicare premiums, and there was no evidence that they

incurred any other health insurance premium expenses. Therefore, Petitioner and Wife are not eligible for a needs deduction for health insurance premiums.

When Petitioner and Wife's net income of [REDACTED] is reduced by the \$500 PIL, they are each left with [REDACTED] in excess income. Accordingly, the Department properly determined that Petitioner and Wife were eligible for MA subject to a monthly \$1,075 deductible.

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 and Wife's eligibility for MA under G2C subject to a monthly \$1,075 deductible.

Accordingly, the Department's decision is **AFFIRMED**.

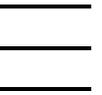

ALICE C. ELKIN
ADMINISTRATIVE LAW JUDGE

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

WAYNE-GREENFIELD/JOY-DHHS

8655 GREENFIELD RD

DETROIT, MI 48228

MDHHS-WAYNE-17-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED]

[REDACTED] MI [REDACTED]