



Date Mailed: January 12, 2026

Docket No.: 25-040559

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] [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 January 7, 2026. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Samantha Shano, Hearing Coordinator.

ISSUE

Did the Department properly determine Petitioner’s and his spouse’s eligibility for Medicaid (MA) coverage?

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 [REDACTED] [REDACTED] (Spouse) were prior recipients of Healthy Michigan Plan (HMP) MA coverage.
2. Petitioner and Spouse are married.
3. Petitioner is [REDACTED] years old and Spouse is [REDACTED] years old.
4. Petitioner has three minor children, [REDACTED] (Daughter) age [REDACTED] (at the time of redetermination), [REDACTED] age [REDACTED] and [REDACTED] age [REDACTED]
5. Petitioner files taxes jointly with Spouse and claims his three children as tax dependents.
6. Petitioner is employed at [REDACTED] (Employer 1). Exhibit A, p. 16.
7. Petitioner is paid weekly and has employer deductions for retirement savings and vision and dental insurance premiums. Exhibit A, pp. 24-27.
8. Daughter is employed at [REDACTED] (Employer 2). Exhibit A, p. 20.

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9. On September █ 2025, the Department received Petitioner's MA redetermination. Exhibit A, pp. 9-15.
 10. On September █ 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that informed Petitioner that he and Spouse were eligible for MA with a monthly deductible of \$█ effective November 1, 2025 ongoing. Exhibit A, pp. 31-39.
 11. On November 10, 2025, the Department received Petitioner's request for hearing. Exhibit A, pp. 5-7.
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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).

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 disputed the Department's determination of his and Spouse's MA eligibility. The Department explained that it determined Petitioner and Spouse had excess income for HMP and were eligible for MA Group 2 Caretaker (G2C) with a monthly deductible of \$█ effective November 1, 2025 ongoing.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Family Planning (PFFP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Because Petitioner is ■ years old and Spouse was ■ years old and there was no evidence presented that they received Medicare, they are potentially eligible for MA coverage under full coverage HMP.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status and dependents. Petitioner is married, files taxes with Spouse and claims his three children as tax dependents. Therefore, for HMP purposes, Petitioner has a household size of five.

The FPL for a group size of five is \$37,650.00. 133% of the annual FPL for a household of five is \$50,074.50. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's household annual income cannot exceed \$50,074.50 or \$4,172.87 monthly. Additionally, Department policy provides that if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. BEM 500 (April 2022), pp. 3-5. With the 5% disregard applied, the household annual income limit is \$51,957.00, or \$4,329.75 monthly.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. *Id.* To determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest. AGI is found on line 11 of IRS tax forms 1040, 1040-SR, and 1040-NR. 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/>. Additionally, the MAGI-based income of an individual who is included in the household of his or her natural, adopted or step parent and is not expected to be required to file a tax return for the taxable year in which eligibility for Medicaid is being determined, *is not included* in household income whether or not the individual files a tax return. 42 CFR 435.603(d)(2)(i) (emphasis added).

When determining financial eligibility of current beneficiaries for MAGI-related MA, the State of Michigan has elected to base eligibility on current monthly household income and family size and further consider reasonably predictable changes in income. Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1,

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2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018, available at https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf.

In this case, it was undisputed that Petitioner is paid weekly by Employer 1 and Daughter is paid biweekly Employer 2. The Department indicated that it obtained wage information based on Petitioner's August 22, August 29, September 5, and September 12, 2025 paychecks from Employer 1. Daughter's wage information was retrieved from an Equifax wage history report. The Department testified that in determining Petitioner's eligibility, it considered Petitioner's four paychecks from Employer 1 from August 22 for \$██████████ August 29 for \$██████████ September 5 for \$██████████ and September 12 for \$██████████ The Department testified that it used the gross amount from each paycheck. The Department testified that it used Daughter's biweekly paychecks from Employer 2 from August 1 for \$██████████ and August 15 for \$██████████ The Department did not specify the household's total monthly MAGI income but instead testified that the household's total income exceeded HMP eligibility.

When determining MAGI income, the Department uses gross income before taxes reduced by any money the employer takes out for health coverage, childcare, or retirement savings. Petitioner's paychecks reflect that he had deductions for both retirement savings and vision and dental insurance. Here, the Department used the gross amounts from each of Petitioner's Employer 1 paychecks and did not reduce Petitioner's gross income by the amount of his retirement and health coverage deductions. Because the Department did not reduce Petitioner's gross income by the amount of his retirement and health coverage deductions, the Department did not properly determine Petitioner's MAGI income.

Furthermore, the Department testified that it included Daughter's income when it determined Petitioner's monthly household MAGI income. When determining MAGI income, the Department counts the income of everyone in the group *except* for the income of children and tax dependents who would not be required to file a tax return. For 2025, individuals making \$15,750.00 or more must file a tax return. For 2024, individuals making \$14,600.00 or more must file a tax return. Daughter is Petitioner's tax dependent. The evidence indicated that Daughter's 2025 year to date income from Employer 2 was \$██████████ and, for 2024, was \$██████████ Exhibit A, p. 21. Based on these amounts, Daughter was not required to file a tax return for 2024 and, at the time of the redetermination in 2025, would not be expected to file a tax return for 2025. Because no evidence was presented to establish that Daughter's income would require her to file a tax return for 2025, the Department incorrectly included Daughter's income when it calculated Petitioner's household's MAGI.

Based on the foregoing, the Department did not properly determine Petitioner's and Spouse's monthly household MAGI income and their eligibility for HMP coverage.

Because HMP provides full coverage MA and offers greater coverage than G2C, the Department should have considered Petitioner's and Spouse's eligibility for HMP before it concluded they were only eligible for G2C. 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's and Spouse's eligibility for MA coverage.

DECISION AND ORDER

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's and Spouse's eligibility for MA coverage for November 1, 2025 ongoing in accordance with policy;
2. If eligible for MA coverage, provide Petitioner and Spouse with the best available coverage for November 1, 2025 ongoing; and
3. Notify Petitioner of its decision in writing.



JULIA NORTON
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:

Respondent
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Via First Class Mail:

Petitioner

