

Date Mailed: December 23, 2025

Docket No.: 25-040929

Case No.: [REDACTED]

Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held via Microsoft Teams on December 17, 2025. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Jacob Frankmann, supervisor.

ISSUE

The issue is whether MDHHS properly determined Petitioner’s Medical Assistance (MA) 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. As of August 2025, Petitioner was an ongoing recipient of Medicaid under the Healthy Michigan Plan (HMP).
2. As of August 2025, Petitioner was [REDACTED] years old, unmarried, not disabled, not pregnant, and with no tax dependents.
3. On August 15 and August 29, 2025, Petitioner received gross wages of [REDACTED] and [REDACTED] respectively from employment with [REDACTED] (hereinafter, “Employer1”)
4. On September 5, 16, 19, and 26 Petitioner received gross wages from [REDACTED] [REDACTED] (hereinafter, “Employer2”) of [REDACTED] [REDACTED] [REDACTED] and [REDACTED] respectively.
5. On September 30, 2025, MDHHS determined that Petitioner was eligible for only the limited-coverage MA category of Plan First (PF) beginning November 2025.

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6. On November 6, 2025, Petitioner requested a hearing to dispute the termination of MA benefits.

CONCLUSIONS OF LAW

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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of full-coverage MA benefits. Exhibit A, p. 3. A Health Care Coverage Determination Notice dated September 30, 2025, stated that Petitioner was eligible only for the limited-coverage MA category of PF beginning November 2025.¹ Exhibit A, pp. 27-29. Further analysis requires consideration of MA categories.

Medicaid is also known as MA. BEM 105 (January 2024) p. 1. The MA program includes several sub-programs or categories. *Id.* To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology.² *Id.*

Persons may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility, the least amount of excess income or the lowest cost share. *Id.*

Petitioner's testimony acknowledged being [REDACTED] years old, not pregnant, not disabled, not a Medicare recipient, and not a caretaker to minor children. Under the circumstances, Petitioner is potentially only eligible to receive full-coverage Medicaid under the MAGI category of HMP. MDHHS terminated Petitioner's ongoing eligibility due to excess income.

¹ Plan First is a MAGI-related limited-coverage MA category available to any United States citizen or individual with a qualified immigration status. BEM 124 (July 2023) p. 1. Plan First coverage is a "limited-coverage" because it only covers family planning services such as birth control (see form DCH-2840-MSA).

² Eligibility factors for all MA categories are found in the Bridges Eligibility Manual from BEM 105 through BEM 174.

MAGI-based income means income calculated using the same financial methodologies used to determine modified adjusted gross income as defined in section 36B(d)(2)(B) of the Code.³ 42 CFR 435.603(e). For individuals who have been determined financially-eligible for Medicaid using the MAGI-based methods set forth in this section, a State may elect in its State plan to base financial eligibility either on current monthly household income and family size or income based on projected annual household income and family size for the remainder of the current calendar year. 42 CFR 435.603(h). MDHHS has chosen to determine HMP eligibility based on current monthly income.⁴

Modified adjusted gross income can be defined as a household's adjusted gross income with any tax-exempt interest income and certain deductions added back.⁵ Common deductions and disregards which should be factored in determining a person's adjusted gross income include alimony payments, unreimbursed business expenses, Health Savings Account payments, and student loan interest.⁶

Group composition for MAGI-related categories follows tax filer and tax dependent rules. BEM 211 (October 2023) p. 1. The household for a tax filer, who is not claimed as a tax dependent, consists of: the tax filer, the tax filer's spouse, and tax dependents. *Id.*, p. 2. Petitioner was a tax filer with no dependents; thus, her MAGI benefit group size is one person.

As of the date of the disputed termination, Petitioner had two jobs. MDHHS factored the following August 2025 biweekly wages from Employer1: ██████ on August 15 and ██████ on August 29. Exhibit A, pp. 18-22. Averaging Petitioner's biweekly wages and multiplying by 26 results in a countable annual income of ██████ For Employer2, MDHHS factored the following September 2025 weekly wages of ██████ on September 5, ██████ on September 16, ██████ on September 19, and ██████ on September 26. Exhibit A, p. 23. Averaging the weekly wages and multiplying by 52 results in a countable annual income of ██████ Adding the wages and dividing by 12 results in a countable monthly income of ██████

Petitioner testified that her wages are inconsistent and that she currently has only one job. Petitioner can report changes to MDHHS for an updated determination; however, the evidence did not establish that MDHHS improperly projected Petitioner's wages as of the date of the disputed determination.

HMP income limits are based on 133% of the federal poverty level (FPL). RFT 246 (April 2014) p. 1. Also, MDHHS applies a 5% disregard to the income limit when the disregard is the difference between eligibility and non-eligibility. BEM 500 (July 2017) p. 5. Thus,

³ Income exceptions are made for lump-sums which are counted as income only in the month received; scholarships, awards, or fellowship grants used for education purposes and not for living expenses; and various exceptions for American Indians and Alaska natives. No known exceptions are applicable to the present case.

⁴ https://www.michigan.gov/documents/mdhhs/SPA_17-0100_Approved_638230_7.pdf

⁵ <https://www.investopedia.com/terms/a/agi.asp>

⁶ <https://www.investopedia.com/terms/a/agi.asp>

HMP income limits are functionally 138% of the FPL. The 2025 FPL for a 1-person group residing in Michigan is [REDACTED] (Multiplying the FPL by 1.38 results in an income limit of [REDACTED] per month). Petitioner's benefit group's income exceeds the HMP income limit. Thus, MDHHS properly terminated Petitioner's HMP eligibility. Presumably, Petitioner's group's income is within the income guidelines to receive the limited coverage MA category of Plan First.⁸

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's full-coverage MA benefits and determined Petitioner eligible only for the limited-coverage MA category of PF beginning November 2025. The actions of MDHHS are **AFFIRMED**.


CHRISTIAN GARDOCKI
ADMINISTRATIVE LAW JUDGE

⁷ <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

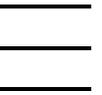
⁸ The Plan First income limit is 195% of the FPL. BEM 124 (July 2023) p. 2.

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

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