



Date Mailed: December 22, 2025
Docket No.: 25-040937
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]

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 18, 2025. Petitioner appeared and was unrepresented. She also had her daughter [REDACTED] [REDACTED] appear as a witness. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Caitlin Dodge, Family Independence Manager.

ISSUE

Did the Department properly close Petitioner’s Medical Assistance (MA) Program benefit?

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 October [REDACTED] 2025, the Department received Petitioner’s completed Semi-Annual Contact Report showing the only household members as Petitioner, age [REDACTED] and her daughter, age [REDACTED] with income from employment for both.
2. On or around the same date, the Department received verification of Petitioner’s paystubs showing the following gross income:

October 8, 2025	\$ [REDACTED]
October 22, 2025	\$ [REDACTED]

3. On or around the same date, the Department received verification of Petitioner’s daughter’s gross income from employment:

September 26, 2025	\$ [REDACTED]
October 3, 2025	\$ [REDACTED]
October 10, 2025	\$ [REDACTED]
October 17, 2025	\$ [REDACTED]

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4. On October █ 2025, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing her that effective December 1, 2025, her MA coverage was changing to Plan First (PF), a limited coverage MA category.
 5. On November 7, 2025, the Department received Petitioner's request for hearing disputing the Department's determination of MA eligibility.

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 change in her MA benefits. 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 Medicaid (PF-MA) 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 not age 65 or older, blind, under age 19, pregnant, recently pregnant, or eligible for Medicare, Petitioner is potentially eligible for MA coverage under 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.

In this case, MDHHS concluded that Petitioner was not eligible for HMP due to having income that exceeded the applicable income limit for Petitioner's group size. 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. Petitioner is not married and has one dependent; therefore, Petitioner's group size is two. BEM 211 (October 2025), p. 2. 133% of the annual FPL in 2025 (the most current applicable FPL) for a household with two members is \$28,129.50. See <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$28,129.50 or \$2,344.12 per month.

To determine financial eligibility under HMP, 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 employment income for Petitioner. In the 30 days of verified income immediately prior to the Department's decision, Petitioner had gross wages of \$[REDACTED]. Petitioner's daughter's income totaled \$[REDACTED]. However, in MAGI cases, the income of an individual who is included in the household of their natural parent and is not expected to be required to file a tax return for the taxable year in which eligibility for MA benefits is determined is not included in the household income whether or not the individual files a tax return. 42 CFR 435.603(d)(92)(i). Therefore, because Daughter's income is not considered for MAGI purposes, total household gross income was \$[REDACTED]. No evidence was presented of any deductions for student loan interest, health insurance premiums, or

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retirement accounts for Petitioner or her daughter. Therefore, the household gross income is equal to the MAGI of \$[REDACTED] which is less than the HMP income limit. The Department has not properly closed Petitioner's MA HMP benefit.

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 did not act in accordance with Department policy when it closed Petitioner's MA benefits for exceeding the income limit.

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 eligibility for MA effective December [REDACTED] 2025;
1. If otherwise eligible issue supplements to Petitioner or on her behalf for benefits not previously received; and,
2. 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.

Via Electronic Mail:

Respondent
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25620 W 8 MILE RD
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Via First Class Mail:

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[Redacted]
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