



Date Mailed: February 3, 2026
Docket No.: 25-041313
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

Date Mailed: February 3, 2026

Docket No.: 25-041313

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; 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 hearing was held by teleconference on January 8, 2026. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Jarrod Swartz, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine Petitioner's Medicaid (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. On [REDACTED] 2025, the Department received:
 - a. A completed application from Petitioner for MA, including retroactive coverage to June 2025, for himself. Petitioner reported that he was a [REDACTED]-year-old married tax filer and disabled. He reported that he was employed by [REDACTED] (Employer), earned \$[REDACTED] per hour, worked 40 hours per week, and was paid weekly; and reported no other household income, and
 - b. Petitioner's weekly paystubs from Employer for July 31, 2025, and for the period from August 21 to September 25, 2025, excluding Petitioner's September 4, 2025 paystub. The paystubs identify Petitioner's federal taxable income.

(Exhibit A, pp. 8 – 20).

2. On September 27, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved him for Plan First Family Planning (PFFP) MA effective September 1, 2025, and did not approve or deny him for any other MA coverage. The HCCDN instructed Petitioner to contact the Department if he wished to pursue MA coverage based on a disability. (Exhibit A, pp. 37 – 38).

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3. On September 30, 2025, the Department obtained a Work Number report by Equifax regarding Petitioner's and his spouse's income. (Exhibit A, pp. 21 – 24; p. 58, Serial No. 65).
 4. On September 30, 2025, the Department sent Petitioner a HCCDN that denied him MA coverage, including Healthy Michigan Plan (HMP) and PFFP, due to excess income, effective November 1, 2025. The HCCDN informed Petitioner that the Department determined his annual income was \$ [REDACTED]. (Exhibit A, pp. 41 – 42).
 5. On [REDACTED] 2025, the Department received:
 - a. A completed application from Petitioner for MA, including retroactive coverage to July 2025, for himself. Petitioner reported that he was a [REDACTED] year-old married tax filer and disabled. He reported that he was employed by Employer, earned \$ [REDACTED] per hour, worked 40 hours per week, and was paid weekly; he reported no other household income, and
 - b. Petitioner's weekly paystubs from Employer for October 2 and October 16, 2025. The paystubs identify Petitioner's federal taxable income.(Exhibit A, pp. 29 – 35).
 6. On October 16, 2025, the Department sent Petitioner a HCCDN that approved him for HMP MA effective November 1, 2025, and denied him MA from July 1, 2025 to October 31, 2025, because he was eligible in another case. The HCCDN instructed Petitioner to contact the Department if he wished to pursue MA coverage based on a disability. (Exhibit A, pp. 45 – 46).
 7. On October 17, 2025, the Department sent Petitioner a HCCDN that denied him MA coverage, including HMP and PFFP, due to excess income, effective November 1, 2025. The HCCDN informed Petitioner that the Department determined his annual income was \$ [REDACTED]. (Exhibit A, pp. 49 – 50).
 8. On November 5, 2025, the Department received a request for hearing from Spouse, disputing the Department's determination of his MA eligibility. (Exhibit A, pp. 4 – 6).
 9. On November 6, 2025, the Department sent Petitioner a HCCDN that approved him for PFFP MA effective December 1, 2025. (Exhibit A, pp. 53 – 54).

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).

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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.

As a result of two applications for MA coverage submitted by Petitioner, the Department sent him four HCCDNs between September 27 and October 17, 2025. Following each application, the Department initially approved Petitioner for MA coverage and then denied coverage due to excess income. Petitioner requested a hearing to dispute the Department's determination of his MA eligibility.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. 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, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1; BEM 137 (January 2024), p. 1. Individuals who do not qualify for one of the foregoing coverages may qualify for Plan First Family Planning (PFFP), which is a limited coverage MA category, and a client may be approved for PFFP only or in conjunction with other MA coverage. BEM 124 (July 2023), p. 1.

Here, Petitioner is a ■ year old married tax filer with no dependent children, and has earned income only. There was no evidence that Petitioner was blind, pregnant, or a Medicare recipient. Therefore, Petitioner is potentially eligible for full-coverage HMP and/or PFFP MA coverage only. HMP and PFFP are Modified Adjusted Gross Income (MAGI)-related MA programs, with HMP providing full coverage and PFFP providing limited coverage. Because HMP offers full MA coverage, it is a more beneficial coverage for Petitioner than PFFP.

To qualify for health care coverage under HMP, an individual's income must be less than or equal to 133% of the Federal Poverty Level (FPL) for their group size, among other program requirements. BEM 137, p. 1. An individual may be eligible for PFFP if their MAGI-income is no more than 195% of the FPL applicable to the individual's group size. BEM 124, p. 1.

An individual's group size for MAGI purposes requires consideration of the client's tax filing status and there was no dispute that Petitioner is married and files taxes. Therefore, Petitioner has a fiscal tax group of two. BEM 211 (October 2023), pp. 1 – 2; 42 CFR 435.603(f)(4).

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In 2025, the FPL for a fiscal group of two was \$21,150. 90 FR 5917 (January 2025), No. 2025-01377, pp. 5917-5918. Based on the FPL, the HMP income limit for a fiscal group of two was \$28,129.50 annually, or \$2,344.13 per month. Additionally, for MAGI-related plans, a 5% disregard is available to make individuals eligible, who would otherwise not be eligible, and increases the income limit by an amount equal to 5% of the FPL for the group size. BEM 500 (April 2022), p. 5. For a fiscal group of two, the 5% disregard was \$1,058. With the 5% disregard, the total income limit for HMP, was \$29,187, or \$2,432.25 per month. Based on the FPL, the 2025 income limit for PFFP for Petitioner's household size of two was \$41,242.50 annually, or \$3,436.88 per month. With the 5% disregard, the total income limit for PFFP increased to \$42,300, or \$3,525 per month.

To determine Petitioner's MAGI-income, the Department must calculate the countable income of the fiscal group in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, pp. 1, 3 – 4. MAGI is based on Internal Revenue Service rules and relies on federal tax information from current income sources. BEM 500, pp. 3 – 4; see also 42 CFR 435.603(h)(1),(2).

The Department uses current monthly income, and reasonably predictable changes in income, to calculate a client's MAGI-income. (MAGI-Based Income Methodologies (SPA 17-0100), eff. 11/01/2017, app. 03/13/2018); 42 CFR 435.603(h). MAGI-income is calculated for each income earner in the household by using the "federal taxable wages" reported on earner's paystubs or, if federal taxable wages are not reported on the paystub, by using "gross income" minus amounts deducted by the employer for child care, health coverage, and retirement plans. To determine countable income from self-employment for MAGI-related MA, the Department must use the adjusted gross income (AGI) as declared on the federal income tax return. BEM 502 (June 2024), p. 3. A client's tax-exempt foreign income, tax-exempt Social Security benefits, and tax-exempt interest, if any, from the client's tax return are added back to the client's adjusted gross income (AGI) to determine MAGI-income. See <https://www.healthcare.gov/income-and-household-information/how-to-report/>.

Here, the Department introduced two MAGI eligibility determination documents. (Exhibit A, pp. 28, 36). The Department explained that when it determined Petitioner's eligibility based on his [REDACTED] 2025, application, it determined he was a fiscal group of one and had MAGI-income of \$ [REDACTED] per month based on Petitioner's gross income from September 4 to September 25, 2025. (Exhibit A, p. 28). The Department further explained that when it determined his eligibility based on his October 16, 2025, application, it determined Petitioner was a fiscal group of two and had MAGI-income of \$ [REDACTED] per month based on his gross income from September 14 to October 13, 2025. (Exhibit A, p. 36).

However, the Department did not clearly explain the discrepancy in its determination of Petitioner's MAGI-related MA fiscal group size. Further, although Employer reports

federal taxable wages on Petitioner's paystubs, which Petitioner provided to the Department, the Department testified that it used the gross income amounts reported on the Work Number, not Petitioner's federal taxable wages, to determine his MAGI-income. Thus, based on the record, the Department did not calculate Petitioner's MAGI-income in accordance with Internal Revenue Service rules and Department policy. Additionally, there was no evidence that the Department determined Petitioner's eligibility for retroactive MA as requested on his [REDACTED] 2025 application.

Therefore, the Department did not demonstrate that it acted in accordance with policy when it a) determined Petitioner's MA eligibility effective September 1, 2025, and b) did not determine Petitioner's eligibility for MA retroactive to June 1, 2025.

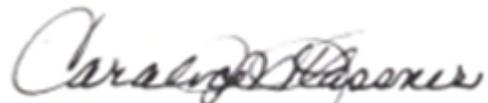
DECISION AND ORDER

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 satisfy its burden of establishing that it acted in accordance with Department policy when it determined Petitioner'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 HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner's MA eligibility effective September 1, 2025;
1. Determine Petitioner's eligibility for MA retroactive to June 1, 2025;
2. If eligible, provide Petitioner with the most beneficial MA coverage he was eligible to receive effective September 1, 2025;
3. If eligible, provide Petitioner with the most beneficial MA coverage he was eligible to receive retroactive to June 1, 2025; and
4. Notify Petitioner of its decision in writing.



**CARALYCE M. LASSNER
ADMINISTRATIVE LAW JUDGE**

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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

KENT COUNTY DHHS
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MDHHS-KENT-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner

[REDACTED]
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