



**Date Mailed:** February 4, 2026  
**Docket No.:** 25-041597  
**Case No.:** [REDACTED]  
**Petitioner:** [REDACTED]

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

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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. Medicaid (MA) household member, [REDACTED] [REDACTED] (Spouse), appeared on behalf of Petitioner. Lori Tuner, Eligibility Specialist, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence as MDHHS Exhibit A, pp. 1-26.

### **ISSUE**

Did MDHHS properly determine Medicaid (MA) eligibility for Petitioner's minor child?

### **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, Petitioner applied for MA coverage for her minor child (Minor Child), age 0, reporting Spouse in the home and that Spouse received biweekly employment income (Exhibit A, p. 8).
2. On October [REDACTED] 2025, MDHHS sent Petitioner a Verification Checklist (VCL) requesting verification of checking and savings account information for the household by November [REDACTED] 2025 (Exhibit A, p. 15).
3. On November [REDACTED] 2025, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that Minor Child was eligible for MA with a monthly deductible of \$[REDACTED] effective October 1, 2025 (Exhibit A, p. 21).
4. On November 6, 2025, Petitioner requested a hearing (Exhibit A, p. 3).

### **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

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Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

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Medicaid (MA) 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 MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (June 2025), p. 1.

In this case, MDHHS determined that Minor Child was approved for Group 2 Under 21 (G2U) MA with a monthly deductible. Petitioner argued that Minor Child should have been approved for full-coverage MA without a deductible.

MA for children under age one (HK1) is part of the U-19 MA Expansion program. It is a Modified Adjusted Gross Income (MAGI)-related MA category. BEM 129 (January 2025). HK1 MA is available to children under one year of age whose household income is between 55 to 195% of the Federal Poverty Level (FPL). *Id.* All eligibility factors must be met in the calendar month being tested. *Id.* MICHild is a MAGI-related MA Expansion program for children who are under 19 years of age and who are not enrolled in comprehensive health insurance. BEM 130 (January 2024), p. 1. Income eligibility for children age 0 to age 1 is 196% to 212% of the FPL. *Id.* Other Healthy Kids (OHK) and the Healthy Kids Expansion (HKE) are two programs in the MAGI U-19 MA category. BEM 131 (January 2022), p. 1. OHK and HKE are available to children under the age of 19 whose household income does not exceed 160% of the FPL. *Id.*

The above categories are MAGI-related Group 1 MA categories, meaning that they provide full-coverage MA without a deductible for children whose household's income, calculated in accordance with MAGI rules, meets the income eligibility limits. BEM 131, p. 1. To be eligible for any of the above categories, Minor Child's household income would have to be at or below 212% of FPL. For MAGI-related MA programs, group composition 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: (i) the individual; (ii) the individual's spouse; and (iii) tax dependents. *Id.*, p. 2. The household for an individual who is a tax dependent of someone else is the same as the household of the tax filer claiming the individual as a tax dependent, subject to certain exceptions. *Id.* For a household of three, 212% of the FPL was \$4,826.54 per month in 2025.<sup>1</sup>

In order to determine income eligibility for MAGI-related U19 and MICHild programs, the household's MAGI income must be considered. In determining 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

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<sup>1</sup> See Office of the Assistant Secretary for Planning and Evaluations, Poverty Guidelines, <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines> (last visited February 3, 2026).

IRS tax form 1040 at line 37, form 1040 EZ at line 4, and form 1040A at line 21. 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/>.

Here, Petitioner reported that she lived in a household with Spouse and Minor Child, and filed taxes jointly with Spouse, claiming Minor Child as a tax dependent. Thus, Minor Child’s group-size for MA was three, including himself, Spouse and Petitioner. MDHHS did not present a MA budget at the hearing. However, it presented evidence that Spouse had income from employment and earned \$██████████ per month (Exhibit A, p. 19). Spouse did not dispute this amount. This monthly income exceeds 212% of FPL, which was \$4,826.54 per month for a household of three in 2025. Thus, MDHHS properly concluded that Minor Child was not eligible for full-coverage MA under the above categories due to excess income.

Children whose household income exceeds the income limit for U19 or MiChild eligibility are potentially eligible for MA under the Group 2 Under 21 (G2U) MA category, with a deductible equal to the amount the child’s net income (countable income minus allowable income deductions) exceeds the applicable Group 2 MA protected income level (PIL), which is based on the county in which the child resides and child’s fiscal group size. BEM 132 (April 2018), p. 2; BEM 544 (January 2020), p. 1; RFT 240 (December 2013), p. 1. For G2U, the fiscal group consists of the child and child’s parents. BEM 211, p. 8.

Here, MDHHS determined that Minor Child has a group-size of three for G2U MA. To determine budgetable income for G2U, MDHHS must follow the multi-step process outlined in BEM 536 (July 2019), pp. 1-7. However, MDHHS did not introduce a MA budget to show how it calculated the deductible amount. Thus, the undersigned Administrative Law Judge is unable to review whether the deductible amount was properly calculated due to incomplete information. Accordingly, MDHHS failed to establish that it properly determined Minor Child’s MA eligibility.

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**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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Minor Child's MA eligibility. Accordingly, MDHHS' decision is **REVERSED**.

**MDHHS 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 Minor Child's MA eligibility, effective October 1, 2025 ongoing;
2. Provide Minor Child with the most beneficial category that Minor Child is eligible to receive, effective October 1, 2025 ongoing; and
3. Notify Petitioner of its decision in writing.



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**LINDA JORDAN  
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](https://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](mailto: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

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