



Date Mailed: January 9, 2026

Docket No.: 25-042894

Case No.: [REDACTED]

Petitioner: [REDACTED]

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هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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.

[REDACTED] MI [REDACTED]

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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 Brandy Brown, Eligibility Specialist. Also present was Bengali interpreter Rafat Arman.

ISSUE

Did the Department properly determine 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. Petitioner and his wife were ongoing MA recipients under the full coverage Healthy Michigan Plan (HMP) program.
2. Petitioner's household consisted of himself, his wife and his two children.
3. Petitioner had income from employment (Exhibit A, pp. 15-19).
4. On October 27, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice informing him that he and his wife were not eligible for MA benefits under the HMP program effective December 1, 2025, ongoing (Exhibit A, pp. 7-9). Petitioner was approved for MA subject to a monthly deductible.
5. On November 4, 2025, Petitioner submitted a request for hearing disputing the Department's determination that he and his wife were not eligible for full coverage MA benefits.

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 was an ongoing MA recipient under the full coverage HMP program. Petitioner submitted updated income information to the Department. The Department determined that Petitioner and his wife were eligible for MA benefits subject to a monthly deductible.

The Department concluded that Petitioner and his wife were not eligible for the full coverage Healthy Michigan Plan (HMP) program because their household income exceeded the applicable income limit for their group size. HMP uses a Modified Adjusted Gross Income (MAGI) methodology. BEM 137 (October 2016), p. 1. An individual is eligible for HMP if his household's income does not exceed 133% of the Federal Poverty Level (FPL) applicable to the individual's group size. BEM 137, p. 1. Additionally, for MAGI-related MA programs, the Department allows a 5 percent disregard in the amount equal to five percent of the FPL level for the applicable family size. BEM 500 (July 2017), p. 5. It is not a flat 5 percent disregard from the income. BEM 500, p. 5. The 5 percent disregard is applied to the highest income threshold. BEM 500, p. 5. The 5 percent disregard shall be applied only if required to make someone eligible for MA benefits. BEM 500, p. 5.

An individual's group size for MAGI-related purposes requires consideration of the client's tax filing status. In this case, Petitioner was married, filed taxes and claimed his two children as dependents in the fiscal year 2024. Petitioner reported that in 2024, he claimed his adult son, who did not have income. Petitioner stated that in 2025, his son had income. Petitioner indicated that he has not yet filed taxes, but when he does file his 2025 tax return, he will not claim his son. Therefore, for HMP purposes, because Petitioner will not be claiming his son for the 2025 tax year, he has a household size of three for the fiscal year of 2025. BEM 211 (January 2016), pp. 1-2.

138% of the annual FPL in 2025 for a household with three members is \$36,777. See <https://aspe.hhs.gov/poverty-guidelines>. The monthly income limit for a group size of

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three is \$3,064.75. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed \$36,777 annually or \$3,064.75 monthly. To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. BEM 500 (July 2017), p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. BEM 500, p. 3. Income is verified via electronic federal data sources in compliance with MAGI methodology. MREM, § 1.

In order to determine income in accordance with MAGI, a client's adjusted gross income (AGI) is added to any tax-exempt foreign income, Social Security benefits, and tax-exempt interest. AGI is found on 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/>. For MAGI MA benefits, if an individual receives RSDI benefits and is a tax filer, all RSDI income is countable. BEM 503 (January 2019), p. 29.

Effective November 1, 2017, when determining eligibility for ongoing recipients of MAGI related MA, the State of Michigan has elected to base financial eligibility on current monthly income and family size. See:

https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf

The Department presented pay statements showing Petitioner was paid on October 3, 2025, in the gross amount of \$[REDACTED]; on October 10, 2025, in the gross amount of \$[REDACTED]; on October 17, 2025, in the gross amount of \$[REDACTED]; on October 24, 2025, in the gross amount of \$[REDACTED]; and on October 31, 2025, in the gross amount of \$[REDACTED]. The Department testified it included all five payments.

Although Petitioner received five payments in the month of October 2025, it would be unusual for Petitioner to receive five payments in a normal calendar month. Therefore, to be more reflective of his actual income, the Department should have only included four pay statements. Additionally, on October 10, 2025, Petitioner received a bonus of \$[REDACTED], which is not indicative of his normal pay, which should be excluded. Petitioner's total income for the pay statements of October 3, 2025; October 10, 2025; October 17, 2025; and October 24, 2025 (the October 24, 2025 pay statement was excluded, as it was comparatively low) excluding the \$[REDACTED] bonus, results in a gross monthly income of \$[REDACTED]. Petitioner did not have any pretax withholdings, and therefore, his countable MAGI-based income was also \$[REDACTED], which is below the income limit for his group size. Therefore, the Department failed to establish it acted in accordance with policy when it determined Petitioner and Petitioner's wife's MA eligibility.

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It should be noted that the Department also included Petitioner's son's income in Petitioner's MA eligibility determination. However, as stated above, Petitioner will not claim his son for the 2025 fiscal year, and thus, neither Petitioner's son, nor his income, should be included in his MAGI-based eligibility determination.

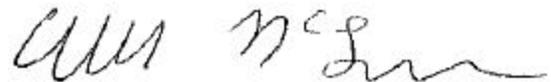
DECISION AND ORDER

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 determined Petitioner and Petitioner's wife'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 and Petitioner's wife's MA eligibility as of December 1, 2025;
2. Provide Petitioner and his wife with MA coverage they are entitled to receive; and
3. Notify Petitioner of its MA decision in writing.



**ELLEN MCLEMORE
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://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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Via First Class Mail:

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