



**Date Mailed:** January 5, 2026

**Docket No.:** 25-042937

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

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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 December 29, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Angela Ware, Eligibility Specialist.

### **ISSUES**

Did the Department properly deny Petitioner's application for Food Assistance Program (FAP) benefits?

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. On [REDACTED] 2025, Petitioner submitted an application for MA and FAP benefits (Exhibit A, pp. 16-24).
2. Petitioner's household consisted of herself and her minor child.
3. Petitioner had income from employment (Exhibit A, pp. 25-29).
4. On October 31, 2025, the Department sent Petitioner a Notice of Case Action informing her that her FAP benefit application was denied due to excess income (Exhibit A, pp. 7-10).
5. Effective November 1, 2025, the Department determined that Petitioner was eligible for MA benefits subject to a deductible of \$1,788.
6. On November 17, 2025, Petitioner submitted a request for hearing disputing the Department's actions.

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## CONCLUSIONS OF LAW

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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).

### FAP

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

In this case, Petitioner submitted an application for FAP benefits. The Department determined that Petitioner was not eligible for FAP benefits because she exceeded the gross income limit for her group size. A non-categorically eligible, non-SDV FAP group must have income below the gross and net income limits. BEM 550 (April 2025), p.1. As a result, the Department denied Petitioner's FAP application.

All countable earned and unearned income available to the client must be considered in determining a client's eligibility for program benefits and group composition policies specify whose income is countable. BEM 500 (July 2017), pp. 1-5. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (October 2017), pp. 1-2. In prospecting income, the Department is required to use income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month, discarding any pay if it is unusual and does not reflect the normal, expected pay amounts. BEM 505, pp. 5-6. A standard monthly amount must be determined for each income source used in the budget. BEM 505, pp. 7-8. Income received biweekly is converted to a standard amount by multiplying the average of the biweekly pay amounts by the 2.15 multiplier. BEM 505, pp. 7-9. Income received weekly is multiplied by a 4.3 multiplier. BEM 505, pp. 7-9. Income received twice per month is added together. BEM 505, pp. 7-9. An employee's wages include salaries, tips, commissions, bonuses, severance pay and flexible benefit funds not used to purchase insurance. The Department counts gross wages in the calculation of earned income. BEM 501 (January 2020), pp. 6-7.

The Department testified that it included \$ [REDACTED] in earned income in Petitioner's FAP budget. The Department presented Petitioner's work number report showing she was paid on October 10, 2025, in the gross amount of \$ [REDACTED] and on October 24, 2025,

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in the gross amount of \$ [REDACTED]. Petitioner was paid biweekly. When averaging Petitioner's pay statements and multiplying by the 2.15 multiplier, it results in a standard monthly income of \$ [REDACTED]. Therefore, the Department properly determined Petitioner's household earned income.

Because all FAP applicants and recipients are eligible for enhanced authorization for Domestic Violence Prevention Services (DVPS), the monthly categorical income limit (200% of the poverty level), from RFT 250, column D (October 2025), p. 1, applies as the standard for FAP gross income eligibility. BEM 213 (January 2016), pp. 1-2. For a two-person FAP group, the applicable 200% gross income limit is \$3,526. As Petitioner's household gross income was \$ [REDACTED], the gross income limit for FAP eligibility was exceeded. Thus, Petitioner is not entitled to FAP benefits and the Department properly denied her application.

At the hearing, Petitioner argued that the Department failed to properly consider her full housing expense. However, the Department denied Petitioner's application for FAP benefits due to exceeding the gross income limit, not the net income limit, which considers additional factors such as the earned income deduction, housing expenses, etc. Only gross income is considered when determining if an individual is eligible under the gross income limit. Therefore, the Department acted in accordance with policy when it only considered Petitioner's gross income, resulting in her application denial.

## **MA**

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 submitted an application for MA benefits. The Department approved Petitioner for MA benefits subject to a deductible. The Department testified that Petitioner was not eligible for MA benefits under the full coverage Healthy Michigan Plan (HMP) program. Petitioner disputed the Department's determination that she was not eligible for full coverage MA.

The Department concluded that Petitioner was not eligible for HMP because her income exceeded the applicable income limit for her 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

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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 filed taxes and claimed her minor child. Therefore, for HMP purposes, she has a household size of two. BEM 211 (January 2016), pp. 1-2.

138% of the annual FPL in 2025 for a household with two members is \$29,187. See <https://aspe.hhs.gov/poverty-guidelines>. The monthly income limit for a group size of two is \$2,432.25. Therefore, to be income eligible for HMP, Petitioner's income cannot exceed \$2,432.25 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, the gross RSDI income is countable. BEM 503 (January 2019), p. 29.

Effective November 1, 2017, when determining eligibility for applicants 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](https://www.michigan.gov/documents/mdhhs/MAGI-Based_Income_Methodologies_SPA_17-0100_-_Submission_615009_7.pdf)

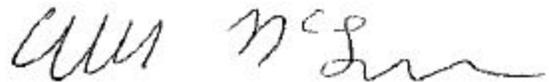
As stated above, Petitioner was paid on October 10, 2025, in the gross amount of \$ [REDACTED] and on October 24, 2025, in the gross amount of \$ [REDACTED]. Petitioner's total gross income in October 2025 was \$ [REDACTED]. Petitioner presented a pay statement showing she had pretax deductions totaling \$ [REDACTED] per pay period. Therefore, Petitioner's MAGI-based monthly income is \$ [REDACTED], which exceeds the income limit for her group size under the HMP program. Therefore, the Department properly determined that Petitioner was not eligible for full coverage MA.

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At the hearing, Petitioner argued that her annual income was below the income limit for the HMP program. Petitioner reported that she did not work for a period of the year. However, as stated above, the Department is to use current income when determining eligibility under the HMP program. Thus, the Department acted in accordance with policy when it determined Petitioner's MA eligibility.

### **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 acted in accordance with Department policy when it denied Petitioner's FAP application and determined Petitioner's MA eligibility. Accordingly, the Department's decision is **AFFIRMED**.



**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](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://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalthelp.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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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.