

**Date Mailed:** January 8, 2026

**Docket No.:** 25-042961

**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 January 7, 2026. Petitioner's Authorized Hearing Representative [REDACTED] appeared at the hearing and represented Petitioner. [REDACTED] appeared as a witness for Petitioner. The Michigan Department of Health and Human Services (Department/Respondent) failed to appear for the hearing. The hearing was held in the Department's absence after waiting for the Department to appear for 15 minutes.

A 56-page packet of documents provided by Respondent was admitted as Exhibit A.

### **ISSUE**

Did the Department properly determine Petitioner's Freedom to Work Medicaid (MA-FTW) premium amount beginning November 1, 2025?

### **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 August 19, 2025, Petitioner submitted an Application for Health Coverage & Help Paying Costs.
2. On Petitioner's August 19, 2025, application, Petitioner reported working at [REDACTED] of [REDACTED] for 12 hours per week, earning [REDACTED] per hour, and is paid biweekly. Petitioner also reported receiving social security income of [REDACTED] per month.
3. On August 19, 2025, the Department verified Petitioner's employment via a Work Number report and used Petitioner's July 30, 2025, and August 13, 2025, paycheck totaling [REDACTED] and Petitioner's receipt of [REDACTED] in Retirement, Survivors, and Disability Insurance (RSDI) income to budget Petitioner's income.

- 
- 
4. On August 19, 2025, a Verification Checklist was mailed to Petitioner requesting trust and home/building verification to be submitted to the Department by August 29, 2025.
  5. On October 3, 2025, the Department mailed to Petitioner a Healthcare Coverage Determination Notice notifying Petitioner that Petitioner was eligible for MA-FTW with a \$0.00 premium from October 1, 2025, to October 31, 2025, and a \$56.58 monthly premium from November 1, 2025, ongoing.
  6. On November 10, 2025, Petitioner's AHR requested a hearing to dispute the Department's determination that Petitioner is eligible for MA-FTW with a \$56.58 monthly premium beginning November 1, 2025.

### **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 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.

State law provides that certain individuals who are eligible for FTW coverage must pay a premium:

An enrolled individual shall pay a sliding fee scale monthly premium based on an annual review of total gross income as follows:

(a) No premium for individuals with gross income less than 138% of the federal poverty guidelines for a family of 1.

(b) Beginning the effective date of the 2014 amendatory act that amended this subdivision, a premium of up to 7.5% per month of gross income for individuals who have total gross income between 138% of the federal poverty guidelines for a family of 1 and \$75,000.00 annual adjusted gross income.

(c) A premium of 100% of the average freedom to work program participant cost for an enrolled individual with adjusted gross income over \$75,000.00 annually.

(d) The premium for an enrolled individual shall generally be assessed on an annual basis based on the annual return required to be filed under the internal revenue code of 1986 or other evidence of earned income and shall be payable on a monthly basis. The premium shall be adjusted during the year when a change in an enrolled individual's rate of annual income changes. MCL 400.106a(5)

(8) As used in this section:

(a) "Adjusted gross income" means that term as defined in section 62 of the internal revenue code of 1986. MCL 400.106a(8)(a)

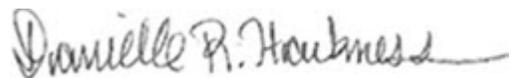
In this case, Petitioner was found to have no MA-FTW premium from October 1, 2025, to October 31, 2025, and a \$56.58 monthly MA-FTW premium beginning November 1, 2025,. Petitioner's AHR argued that Petitioner should have no MA-FTW premium from November 1, 2025, ongoing because Petitioner's Adjusted Gross Income is below 138% of the federal poverty guidelines. Further, Petitioner testified that it is unclear as to how the Department is calculating Petitioner's Adjusted Gross Income.

### **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, that the Department failed to establish that it properly determined Petitioner's MA-FTW premium amount beginning November 1, 2025. Accordingly, the Department's decision is **REVERSED**.

The undersigned Administrative Law Judge orders that THE DEPARTMENT BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH THE GOVERNING STATUTE AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Petitioner MA-FTW premium beginning November 1, 2025.



---

**DANIELLE R. HARKNESS  
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

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**

OTTAWA COUNTY DHHS  
12185 JAMES ST STE 200  
HOLLAND, MI 49424

**MDHHS-OTTAWA-HEARINGS@MICHIGAN.GOV**

**Via First Class Mail:**

**Petitioner**

[REDACTED]  
[REDACTED], MI [REDACTED]