

ISSUE

Did the Department properly deny Petitioner full-coverage MA (Medical Assistance) through the HMP (Healthy Michigan Program)?

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 received full-coverage MA through the HMP until September 30, 2025.
2. On August 9, 2025, Petitioner reported that Petitioner had new employment at REDACTED earning REDACTED per hour, working 40 hours per week, and is paid biweekly.
3. On August 26, 2025, the Department verified Petitioner's income from REDACTED via The Work Number which showed that Petitioner earns REDACTED per hour, works an average of 40 hours per week, and is paid biweekly. Further, Petitioner received gross income of REDACTED on August 29, 2025, and REDACTED on September 12, 2025.
4. The Department determined that Petitioner's annual income exceeded the limit to be eligible for full-coverage MA through the HMP.
5. On August 26, 2025, the Department mailed a Health Care Coverage Determination Notice to notify Petitioner that Petitioner's full-coverage MA through the HMP would close effective October 1, 2025.
6. On November 21, 2025, Petitioner requested a hearing to dispute the Department's determination.

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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

At the hearing, Petitioner indicated that Petitioner disputes the Department's denial of full-coverage MA through the HMP. Health care coverage for adults is available through various programs, including the HMP. In order for an individual to be eligible for MA through the HMP, the individual must be age 19 to 64, and the individual's household income must not exceed 133% of the Federal Poverty Limit (FPL). BEM 137 (June 1, 2024), p. 1. The household size is determined based on tax filer and tax dependent rules. BEM 211 (October 1, 2023), p. 1. For tax filers, the household size includes the tax filer, the tax filer's spouse, and all dependents claimed. *Id.* at 1-2. Here, Petitioner's household size is 3. The HMP income limit for a household size of 3 in 2025 is \$35,444.50 (\$2,953.71 per month).

Income eligibility is based on modified adjusted gross income (MAGI) for HMP purposes. BEM 137, p. 1 and 7 CFR 435.603. MAGI is defined as adjusted gross income increased by (1) excluded foreign income, (2) tax exempt interest, and (3) the amount of social security benefits excluded from gross income. 26 USC 36B(d)(2)(B). Adjusted gross income is that which is commonly used for Federal income taxes, and it is defined as gross income minus deductions for business expenses, losses on the sale or exchange of property, retirement contributions, and others. 26 USC 62.

The Department begins its income determination by examining a client's self-reported income. BEM 500 (April 1, 2022), p. 5. If the client's self-reported income is over the income limit, then the client is ineligible. *Id.* If the client's self-reported income is below the income limit, the Department compares the client's self-reported income to income obtained from trusted sources to determine if the two are compatible. *Id.* Income is compatible if the difference between the two is 10% or less. *Id.* If the two are compatible, then the Department uses the client's self-reported income. *Id.* If the two are not compatible and the income obtained from trusted sources is over the income limit, then the Department requires the client to provide proof of the self-reported income. *Id.* at p. 5-6.

Based on the evidence presented, on August 26, 2025, employment verification was obtained by the Department showing that Petitioner received income of REDACTED on August 29, 2025, and REDACTED on September 12, 2025. The Department added these 2 paychecks and multiplied the amount by 2.15 which equals REDACTED. This amount was then divided by 2 resulting in an income of REDACTED. Therefore, because Petitioner's annual income exceeds the annual income limit of \$35,444.50 (\$2,953.71 per month), the Department properly denied Petitioner full-coverage MA through the HMP based on the information Petitioner provided.

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 its policies and the applicable law when it denied Petitioner full-coverage MA through the HMP.

IT IS ORDERED the Department's decision is **AFFIRMED**.