



Date Mailed: January 15, 2026
Docket No.: 25-044144
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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

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Docket No.: 25-044144

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 12, 2026. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Brandy Brown, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage?

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 was a prior recipient of Healthy Michigan Plan (HMP) MA coverage.
2. Petitioner is [REDACTED] years old.
3. Petitioner is not married.
4. Petitioner is not a recipient of Medicare.
5. Petitioner files taxes and claims no tax dependents.
6. Petitioner is employed by Mi-Cycle (Employer) and is paid biweekly.
7. On October [REDACTED] 2025, Petitioner was paid \$[REDACTED] gross. Exhibit B, p. 3.
8. On October [REDACTED] 2025, Petitioner was paid \$[REDACTED] gross.
9. On November [REDACTED] 2025, the Department received a DHS-38 Employment Verification (Verification) from Employer. Exhibit A, pp. 7-8.
10. On November [REDACTED] 2025, the Department made collateral contact with Employer regarding the Verification.

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11. On November █ 2025, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that informed Petitioner he was approved for Plan First Family Planning (PFFP) effective December 1, 2025 ongoing. Exhibit A, pp. 9-11.
 12. On November 17, 2025, the Department received Petitioner's request for hearing. Exhibit A, pp. 3-5.

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 disputed the closure of his HMP coverage due to excess income. The Department explained that Petitioner's FAP application activated a review of his income and resulted in a change in his MA coverage from HMP to PFFP.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Family Planning (PFFP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

Here, Petitioner was not age 65 or older, blind or disabled, under age 19, the parent or caretaker of a minor child, or pregnant or recently pregnant. Therefore, Petitioner is potentially eligible for MA coverage only under full coverage HMP.

HMP is a MAGI-related MA category that provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income under the MAGI methodology at or below 133% of the federal poverty level (FPL); (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. BEM 137, p. 1; 42 CFR 435.603.

An individual is eligible for HMP if the household's MAGI-income does not exceed 133% of the FPL applicable to the individual's group size. An individual's group size for MAGI purposes requires consideration of the client's tax filing status and dependents. Petitioner is not married, files taxes and claims no dependents. Therefore, for HMP purposes, Petitioner has a household size of one.

The FPL for a group size of one is \$15,650.00. 133% of the annual FPL for a household of one is \$20,814.50. See <https://aspe.hhs.gov/poverty-guidelines>. Therefore, to be income eligible for HMP, Petitioner's annual income cannot exceed \$20,814.50 or \$1,734.54 monthly. Additionally, Department policy provides that if an individual's group's income is within 5% of the FPL for the applicable group size, a disregard is applied, making the person eligible for MA. BEM 500 (April 2022), pp. 3-5. With the 5% disregard applied, the household annual income limit is \$21,597.00, or \$1,799.75 monthly.

To determine financial eligibility under HMP, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, p. 3. MAGI is based on Internal Revenue Service rules and relies on federal tax information. *Id.* To determine 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 line 11 of IRS tax forms 1040, 1040-SR, and 1040-NR. 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/>. When determining financial eligibility of current beneficiaries for MAGI-related MA, the State of Michigan has elected to base eligibility on current monthly household income and family size and further consider reasonably predictable changes in income. Michigan Medicaid State Plan Amendment Transmittal 17-0100, effective November 1, 2017 and approved by the Center for Medicare and Medicaid Services on March 13, 2018, available at https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Folder3/Folder80/Folder2/Folder180/Folder1/Folder280/SPA_17-0100_Approved.pdf.

In this case, the Department testified that Petitioner's monthly income for MA purposes was \$[REDACTED]. The Department explained that it used Petitioner's check stubs from October 8, 2025 for \$[REDACTED] gross and October 22, 2025 for \$[REDACTED] gross. While Petitioner's October 22, 2025 paycheck reflected a gross pay of \$[REDACTED] (Exhibit B, p.

25-044144

3), the Department clarified that it received payroll information from Employer that the October 22, 2025 check included an extra 24 hours owed to Petitioner from another unspecified pay period. Exhibit A, p. 7. The Department reduced the amount of the October 22, 2025 check by 24 hours at Petitioner's hourly rate of \$ [REDACTED] per hour (\$ [REDACTED] and used the lesser amount of \$ [REDACTED] for this pay period. Although Petitioner disputed the accuracy of both paycheck amounts, he presented no documentation to support his position. Petitioner testified that he does not receive check stubs from Employer, did not have bank statements of his direct deposits and did not know if he had any deductions for retirement savings or health coverage. Petitioner's testimony alone, unsupported by any documentation, was insufficient to support his position that Employer's payroll information was inaccurate.

HMP is a MAGI-related MA category, income must be calculated in accordance with MAGI under federal tax law. 42 CFR 435.603(e); BEM 500, p. 3. MAGI 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. There was no evidence presented of any health coverage, childcare, or retirement savings deductions from Petitioner's paychecks. For purposes of MAGI, Petitioner's monthly income is \$1,965.00, which reflects his two biweekly paychecks from October 8 and October 22, 2025. Although this MAGI is less than the Department's calculation, even with the 5% disregard applied, Petitioner's monthly MAGI (\$1,965.00) is greater than the eligibility limits for HMP coverage (\$1,799.75 monthly). The Department properly determined that Petitioner was not eligible for HMP coverage.

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 determined Petitioner's eligibility for MA coverage.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



JULIA NORTON
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://irs.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:

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Via First Class Mail:

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[REDACTED]
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