



Date Mailed: February 17, 2026

Docket No.: 25-048554

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

This is an important legal document. Please have someone translate the document.

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

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

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

Date Mailed: February 17, 2026

Docket No.: 25-048554

Case No.: [REDACTED]

Petitioner: [REDACTED] [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 February 12, 2026. Petitioner did not appear and was represented by [REDACTED] [REDACTED] Authorized Hearing Representative (AHR). [REDACTED] [REDACTED] social worker, was present to support AHR. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Leneshia Looney, Eligibility Specialist, and Erik Lewis, Assistance Payment Supervisor.

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. On July [REDACTED] 2017, Petitioner was admitted to a nursing facility. Exhibit A, p. 7.
2. On October [REDACTED] 2025, the Department received Petitioner's application for long term care (LTC). Exhibit A, pp. 7-11.
3. Petitioner is [REDACTED] years old and is not married.
4. Petitioner receives Retirement, Survivors and Disability Insurance (RSDI) income of \$ [REDACTED] gross per month.
5. Petitioner receives a pension of \$ [REDACTED] gross per month. Exhibit A, p. 24.
6. The State of Kentucky deducts \$ [REDACTED] in child support from Petitioner's monthly pension. Exhibit A, p. 24.
7. Petitioner has Medicare. Exhibit A, p. 7.

-
8. The Department determined Petitioner was eligible for MA Group 2 SSI-related (G2S) with a patient pay amount (PPA) of \$ [REDACTED] per month, effective October 1, 2025 ongoing.
 9. On December 29, 2025, the Department received Petitioner's request for hearing that disputed the Department's determination of Petitioner's PPA. Exhibit A, pp. 4-5.

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, the Department indicated that Petitioner was approved for MA G2S and determined that he had a monthly PPA of \$ [REDACTED] AHR disputed the PPA of \$ [REDACTED] per month.

The Department must determine the PPA when MA eligibility exists for long term care or hospital (L/H) patients eligible under: U19 Healthy Kids category, Group 2 (G2U, G2C) category, SSI-related Group 1 or 2 category except QDWI and only Medicare Savings Program (with no other MA coverage). BEM 546 (January 2026), p. 1.

A PPA is the client's share of the cost of long-term care or hospital services (L/H). For individuals in LTC, the PPA is total income minus total need. BEM 546, p. 1. Total income is the client's countable unearned income plus the client's remaining earned income. BEM 546, p. 1. Total need is the sum of the following: patient allowance, home maintenance disregard, community spouse income allowance, family allowance, children's allowance, health insurance premiums, and guardianship/conservator expenses. BEM 546 (January 2026), p. 1.

Countable income includes RSDI, non-Supplemental Security Income (SSI) income for SSI-recipients, and earned and other unearned income as provided in BEM 500, 501, 502, 503, 504 and 530. BEM 546, p. 2. The Department counts the gross RSDI benefit amount as unearned income. BEM 503 (October 2025), p. 31. Other retirement income includes annuities, private pensions, military pensions, and state and local government

25-048554

pensions. BEM 503, p. 30. The Department counts the gross pension benefit as unearned income. BEM 503, p. 30. Gross income is the amount of income before any deductions such as taxes or garnishments. BEM 500 (January 2026), p. 4. This may be more than the actual amount an individual receives. Some examples of amounts which may be withheld, but are still considered part of gross income are: income taxes, health or life insurance premiums, Medicare premiums, union dues, loan payments, garnishments, court-ordered or voluntary child support payments. BEM 500, p. 4.

Here, in determining total income, the Department considered Petitioner's monthly gross RSDI of \$[REDACTED] and monthly gross pension of \$[REDACTED] for a total monthly unearned income of \$[REDACTED]. AHR did not dispute the gross amount of the pension but argued that the gross amount should be reduced by the child support deduction of \$[REDACTED] that is automatically withheld. However, policy provides that child support withheld from income is still considered part of gross income. Thus, the Department properly determined that Petitioner's gross unearned income was \$[REDACTED] per month. Petitioner did not have any earned income. Petitioner's total income is \$[REDACTED].

Total need is the sum of the following: patient allowance, home maintenance disregard, community spouse income allowance, family allowance, children's allowance, health insurance premiums, and guardianship/conservator expenses. In determining total need, the Department testified that it considered a \$[REDACTED] patient allowance and Petitioner's Medicare Part B health insurance premium of \$[REDACTED] per month. These amounts were not disputed. The Department properly did not allow a home maintenance disregard as Petitioner does not meet the criteria for this disregard because he has been in LTC for longer than 6 months. BEM 546, p. 3. The Department properly did not allow a community spouse income allowance or family allowance because Petitioner does not have a community spouse. AHR acknowledged that Petitioner is divorced and his two minor children, age 16 years, both live with their mother. The Department also did not allow a children's allowance. However, L/H patients without a community spouse can divert income to their unmarried children at home who are under age 18 and do not receive Family Independence Program (FIP) or SSI. Petitioner does not have a community spouse, has two children under age 18 and no evidence was presented that Petitioner's children receive either FIP or SSI. Based on the evidence presented, Petitioner may be eligible for the children's allowance. The Department did not establish that it properly considered Petitioner's eligibility for the children's allowance when it determined Petitioner's total need and resulting PPA.

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 satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's PPA was \$[REDACTED] per month effective October 1, 2025.

DECISION AND ORDER

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. Recalculate Petitioner's PPA effective October 1, 2025;
2. If Petitioner is eligible for a decreased PPA, pay the LTC facility for additional LTC benefits Petitioner was eligible to receive as a result of the recalculated PPA or reimburse Petitioner for any payments he made to the LTC facility in excess of the recalculated PPA, as applicable; and
3. Notify Petitioner of its decision in writing.



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://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, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to

25-048554

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
WAYNE-ADULT MEDICAL-DHHS
3040 W GRAND BLVD STE 4-250
DETROIT, MI 48202
**MDHHS-WAYNE-82-
HEARINGS@MICHIGAN.GOV**

Via First Class Mail:

Authorized Hearing Rep

