

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (MA) and Food Assistance Program (FAP) benefits?

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 previously received full coverage MA under the Healthy Michigan Plan (MA-HMP) category. (ES Testimony)
2. On January 5, 2026, Petitioner submitted a Renew Benefits and reported employment with **REDACTED**. Petitioner also stated he was waiting to hear about his medical disability paperwork he submitted in October 2025 and was re-submitted after the government shutdown. (Exhibit A, pp. 8-10)
3. The Department has not included a medical deduction in Petitioner's FAP budget because he is not senior, disabled, or disabled veteran (SDV). (Exhibit A, p. 1)
4. On January 23, 2026, a Notice of Case Action was issued to Petitioner stating he was approved for FAP benefits in the amount of \$46.00 per month effective February 1, 2026. The Notice included a budget summary showing no medical expenses were included. (Exhibit A, pp. 11-15)
5. The Department determined that Petitioner exceeded the income limit for full-coverage MA under the MA-HMP category based on monthly wages of **\$REDACTED**. (Exhibit A, pp. 1 and 19; ES Testimony)
6. On January 23, 2026, a Quick Note was issued to Petitioner stating he was not eligible for disability-based Medicaid at this time because his disability does not meet the requirements for Social Security. (Exhibit A, p. 16)
7. On January 28, 2026, Petitioner filed a hearing request contesting the Department's determinations to deny disability-based MA and not being allowed a medical expense deduction for FAP benefits. (Exhibit A, pp. 3-6 and 17-18)

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).

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.

The Medicaid program comprise several sub-programs or categories. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for MAGI-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for Group 2 categories. Group 2 categories are considered a limited benefit as a deductible is possible. BEM 105, January 1, 2024, p. 1.

Healthy Michigan Plan (MA-HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. The MA-HMP provides health care coverage for individuals who: are 19-64 years of age; do not qualify for or are not enrolled in Medicare; do not qualify for or are not enrolled in other Medicaid programs; are not pregnant at the time of application; meet Michigan residency requirements; meet Medicaid citizenship requirements; and have income at or below 133 percent Federal Poverty Level (FPL). BEM 137, January 1, 2024, p. 1.

Medicaid eligibility is determined on a calendar month basis. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. When determining eligibility for a future month, assume circumstances as of the processing date will continue unchanged unless you have information that indicates otherwise. BEM 105, January 1, 2024, p. 2. This is consistent with 42 CFR § 435.603(h), which states that financial eligibility for Medicaid for applicants must be based on current monthly household income and family size.

In January 2026, the 2025 FPL was still in effect. The 2025 FPL for a group size of one is an annual income of \$15,060. Accordingly, 133% of FPL is \$20,814.50 for a group size of one. Divided by 12, this would equate to \$1,734.54 per month.

The Department counts the gross wage amount as earned income. BEM 501, October 1, 2025, pp. 6-7.

In this case, the Department determined that Petitioner exceeded the income limit for full-coverage MA under the MA-HMP category based on monthly wages of **\$REDACTED**. (Exhibit A, pp. 1 and 19; ES Testimony).

Petitioner contests the Department's determination to deny disability-based MA. (Exhibit A, pp. 3-6 and 17-18; Petitioner Exhibit 1, pp. 1-29; Petitioner Testimony). Disability-based MA requires the individual to meet the Social Security Administration (SSA) Supplemental Security Income (SSI) disability criteria. This includes that the individual had an impairment that prevents them from engaging in any substantial gainful activity. See BEM 260, October 1, 2025, pp. 1-14.

Typically, when an individual that claims disability is not eligible for SSA benefits based on disability, the local Department office would follow the process outlined in BAM 815 to refer the case for a Medical Determination from the Disability Determination Service (DDS). BAM, 815, January 1, 2025, pp. 1-11. In September 2025, the Department had contacted Petitioner's doctor, who reported that Petitioner was able to work at his usual occupation with some limitations. The ES acknowledged that there was no DDS determination for Petitioner. (ES Testimony).

Based on Petitioner's testimony regarding his wages, Petitioner would not have met the SSI disability criteria. In order to determine whether or not an individual is disabled, federal regulations require a five-step sequential evaluation process be utilized. 20 CFR 416.920(a)(1). The five-step analysis requires the trier of fact to consider an individual's current work activity; the severity of the impairment(s) both in duration and whether it meets or equals a listed impairment in Appendix 1; residual functional capacity to determine whether an individual can perform past relevant work; and residual functional capacity along with vocational factors (i.e., age, education, and work experience) to determine if an individual can adjust to other work. 20 CFR 416.920(a)(4); 20 CFR 416.945. If an individual is found disabled, or not disabled, at any step, a determination or decision is made with no need to evaluate subsequent steps. 20 CFR 416.920(a)(4).

The first step looks at the individual's current work activity. For nonblind individuals, in calendar year 2025, countable earnings more than \$1,620.00 per month are considered substantial gainful activity (SGA) and in calendar year 2026, countable earnings more than \$1,690.00 per month are considered SGA. (Program Operations Manual System (POMS) DI 10501.015 Tables of SGA Earnings Guidelines and Effective Dates Based On Year of Work Activity, effective dates October 28, 2024 to present; <http://policy.ssa.gov/poms.nsf/lnx/0410501015>). Petitioner testified that he works an average of 35 hours per week and earns **\$REDACTED** per hour, but was earning **\$REDACTED** per hour. (Petitioner Testimony). Petitioner's earnings are greater than the SGA amounts for 2025 and 2026. Therefore, Petitioner would be considered ineligible for disability benefits under Step 1.

This Administrative Law Judge must review the Department's determination under the existing policies and has no authority to change or make any exceptions to the applicable policies, which include the income limit for MA-HMP and meeting the SSI criteria to be eligible for disability-based MA.

Overall, the evidence shows that the Department properly determined that Petitioner was not eligible for MA-HMP based on his income exceeding program limits. Further, Petitioner would not meet the SSI criteria to be eligible for disability-based MA based on his testimony regarding his employment earnings.

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.

For FAP, allowable medical expenses can only be considered for senior/disabled/disabled veteran (SDV) FAP group members. An SDV group that has a verified one-time or ongoing medical expense(s) of more than \$35.00 for an SDV person(s) will receive the standard medical deduction (SMD). The SMD is \$165.00. If the group has actual medical expenses which are more than the SMD, they have the option to verify their actual expenses instead of receiving the SMD. BEM 554, January 1, 2026, pp. 1 and 10.

For FAP, the definitions for the SDV categories are:

SENIOR

A person who is 60 years of age or older.

Bridges Program Glossary (BPG), June 1, 2024, p. 64.

DISABLED

FAP

A person who receives one of the following:

- A federal, state or local public disability retirement pension and the disability is considered permanent under the Social Security Act.
- Medicaid based on being blind or disabled - which requires a disability determination by DDS or Social Security Administration.

Note: Breast and Cervical Cancer Prevention and Treatment Program Medicaid cases are **not** considered disabled.

- Railroad Retirement and is eligible for Medicare or meets the Social Security disability criteria.

Individuals who receive or have been certified and awaiting their initial payment for one of the following:

- Social Security disability or blindness benefits.
- Supplemental Security Income (SSI), based on disability or blindness, even if based on presumptive eligibility

BPG, June 1, 2024, p. 19.

DISABLED VETERAN

FAP

A person who is:

- A veteran of the armed services with a service or non-service connected disability rated or paid as total by the VA.
- A veteran considered by the VA as permanently housebound or needing regular aid or attendance.
- A veteran's surviving spouse or child who:
 - Receives or is approved for VA disability benefits, or
 - Is entitled to VA death benefits and has a disability considered permanent under the Social Security Act.

BPG, June 1, 2024, pp. 19-20.

In this case, the Department has not included a medical deduction in Petitioner's FAP budget because he is not senior, disabled, or disabled veteran (SDV). (Exhibit A, p. 1). For example, Petitioner is **REDACTED** years old. (Exhibit 1, p. 20). As discussed above, Petitioner would not meet the SSA disability criteria. Further, there was no evidence that Petitioner would meet the disabled veteran definition.

Accordingly, the Department has properly not included a medical deduction in Petitioner's FAP budget because there was no evidence establishing that Petitioner met any of the criteria to be considered senior, disabled, or disabled veteran.

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 determined Petitioner's eligibility for Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

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