

## **ISSUES**

Did the Department properly determine Petitioner's MA eligibility beginning December 1, 2025?

Did the Department properly determine Petitioner's FAP eligibility from January 1, 2026, to December 31, 2026?

## **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 December 26, 2025, Petitioner completed a FAP interview.
2. On January 8, 2026, a Notice of Case Action was mailed to Petitioner to notify Petitioner that Petitioner was approved for \$220.00 per month in FAP benefits from January 1, 2026, to December 31, 2026.
3. On January 8, 2026, a Health Care Coverage Determination Notice was mailed to notify Petitioner that Petitioner is eligible for MA with a \$1,225.00 monthly deductible from December 1, 2025, to December 31, 2025, and MA with a \$1,240.00 monthly deductible beginning January 1, 2026.
4. On January 20, 2026, Petitioner requested a hearing to dispute the Department's MA and FAP eligibility determinations.

## **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 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 determination that Petitioner is eligible for MA with a \$1,225.00 monthly deductible from December 1, 2025, to December 31, 2025, and MA with a \$1,240.00 monthly deductible

beginning January 1, 2026. Petitioner disputed the Department's calculation of Petitioner's monthly gross income.

Persons may qualify for MA under more than one category. Federal law requires them the right to the most beneficial category or the one that results in eligibility with the least amount of excess income or the lowest cost share. The Department failed to show how Petitioner's income was budgeted and meet its burden of going forward and establishing that Petitioner was not eligible for MA under a more beneficial category.

## **FAP**

The 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.

The Department uses countable income to determine eligibility and benefit levels. Income remaining after applying the policy in the income related items is called countable. For FAP purposes, all earned and unearned income available to an applicant or recipient is countable. The Department uses gross income when determining countable income. Gross income is the amount of income before any deductions such as taxes or garnishments, and the amount counted may be more than the client actually receives. BEM 500 (April 1, 2022), p. 1.

In this case, the Department determined that Petitioner is eligible for \$220.00 in FAP benefits from January 1, 2026, to December 31, 2026. Petitioner refuted the Department's determination of Petitioner's FAP benefit amount specifically because the Department's calculation of Petitioner's monthly gross income is unclear.

At the hearing, the Department failed to include a FAP budget in the Department's Hearing Summary. Because the Department submitted incomplete documentation the Department failed to show they properly calculated Petitioner's budget when making its eligibility determination for FAP benefits from January 1, 2026, to December 31, 2026. Accordingly, the Department failed to meet its burden of going forward and establishing that it properly determined Petitioner's eligibility for FAP benefits from January 1, 2026, to December 31, 2026.

## **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, find that the Department did not satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's eligibility for FAP from January 1, 2026, to December 31, 2026 and MA beginning December 1, 2025.

**IT IS ORDERED**, the Department's decision is **REVERSED** with respect to the Department's determination that Petitioner is eligible for MA with a \$1,225.00 monthly deductible from December 1, 2025, to December 31, 2025; and MA with a \$1,240.00 monthly deductible beginning January 1, 2026; and the Department's determination that Petitioner is eligible for \$220.00 per month in FAP benefits from January 1, 2026, to December 31, 2026.

THE DEPARTMENT IS ORDERED TO INITIATE THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE THE ORDER WAS ISSUED:

1. Re-determine Petitioner's eligibility for MA benefits beginning December 1, 2025, in accordance with Department policy.
2. Re-determine Petitioner's eligibility for FAP benefits from January 1, 2026, to December 31, 2026, in accordance with Department policy.