

ISSUES

Did the Department properly determine Petitioner's FAP benefit amount beginning January 1, 2026?

Did the Department properly determine Petitioner's MA eligibility beginning February 1, 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 10, 2025, Petitioner submitted a FAP redetermination and proof of Petitioner's self-employment income.
2. Petitioner has a household size of 1.
3. Petitioner's date of birth is REDACTED 1943.
4. Petitioner pays \$694.00 per month for rent, and Petitioner is responsible for paying for heating/cooling utilities.
5. In 2025, Petitioner received Retirement, Survivors, and Disability Insurance (RSDI) income of REDACTED per month.
6. In 2026, Petitioner received RSDI of REDACTED per month.
7. Petitioner reported the following in self-employment income:
 - a. REDACTED - September 2025
 - b. REDACTED - October 2025
 - c. REDACTED – November 2025
8. Upon receipt of Petitioner's December 10, 2025, redetermination and proof of Petitioner's self-employment income the Department updated Petitioner's income.
9. The Department incorrectly budgeted Petitioner's October 2025 self-employment income as REDACTED.
10. On January 14, 2026, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was eligible for \$103.00 per month in FAP benefits from January 1, 2026, to December 31, 2026.

11. The Department redetermined Petitioner's MA eligibility, and the Department determined that the best health care coverage that Petitioner was eligible for through the Department was MA with a monthly deductible.
12. On January 14, 2026, the Department mailed a Health Care Coverage Determination Notice to Petitioner to notify Petitioner that Petitioner was eligible for MA with a monthly deductible of \$1,045.00 effective February 1, 2026. The Department also notified Petitioner that Petitioner was eligible for limited-coverage MA through Plan First effective February 1, 2026.
13. Subsequently, the Department updated Petitioner's self-employment income for October 2025, and updated Petitioner's FAP and MA budget.
14. On February 13, 2026, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner was eligible for \$79.00 per month in FAP benefits from March 1, 2026, to December 31, 2026.
15. On February 13, 2026, the Department found Petitioner eligible for MA with a monthly deductible of \$1,094.00 beginning March 1, 2026.
16. On January 26, 2026, Petitioner requested a hearing to dispute the Department's FAP and MA 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).

FAP

The FAP 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 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 determines a client's monthly FAP benefit amount by determining the client's group size and net household income and then looking that information up in its applicable Food Issuance Table. BEM 212 (June 1, 2025), BEM 213 (October 1, 2024), BEM 550 (April 1, 2025), BEM 554 (January 1, 2026), BEM 556 (November 1, 2025), RFT 255 (October 1, 2025), and RFT 260 (October 1, 2025). Here, there is no evidence that the Department improperly determined Petitioner's FAP benefit amount beginning January 1, 2026.

To determine a client's countable income, the Department must use past income to prospect income for the future, unless changes are expected. BEM 505 (June 1, 2025),

p. 6. In general, the Department uses income from the past 30 days if it appears to accurately reflect what is expected to be received in the benefit month. *Id.* If income from the past 30 days does not appear to accurately reflect what is expected to be received in the benefit month, and fluctuations of income during the past 60 or 90 days appear to accurately reflect the income that is expected to be received in the benefit month, then the Department uses income from the past 60 or 90 days. *Id.*

On December 10, 2025, Petitioner submitted verification of Petitioner's self-employment income. The verification showed that Petitioner earned self-employment income of REDACTED in September 2025, REDACTED in October 2025, and REDACTED in November 2025. The Department incorrectly budgeted Petitioner's October 2025 self-employment income as REDACTED. As a result, Petitioner's self-employment income for September to November 2025, was added and divided by 3 which equals a self-employment income amount of REDACTED (REDACTED + REDACTED + REDACTED = REDACTED/3 = REDACTED/2 = REDACTED).

Subsequently, the Department updated Petitioner's self-employment income for September to November 2025. Petitioner's self-employment income for September to November 2025, was added and divided by 3 which equals a self-employment income amount of REDACTED (REDACTED + REDACTED + REDACTED = REDACTED/3 = REDACTED/2 = REDACTED). Based on Petitioner's household size of 1, Petitioner's monthly self-employment income of REDACTED, unearned income of REDACTED, Petitioner's rent of \$694.00, and Petitioner's obligation to pay heating/cooling expenses, the Department properly determined that Petitioner's net income was REDACTED, and the Department properly determined that the maximum FAP benefit Petitioner is eligible for is \$79.00 per month.

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.

Petitioner is disputing Petitioner's health care coverage because Petitioner is unclear as to how the Department calculated Petitioner's MA budget. Health care coverage is available without a deductible for those who meet program requirements. One of the programs that provides health care coverage without a deductible is the Healthy Michigan Plan. However, Petitioner does not meet the program requirements for Healthy Michigan because Petitioner is not 19 to 64 years of age, and one of the criteria for coverage through the Healthy Michigan Plan is that the plan provides coverage for individuals who are 19 to 64 years of age. BEM 137 (January 1, 2024), p.1.

Another program that provides health care coverage without a deductible is AD Care. In order for a client to be eligible for full-coverage AD Care, the client must be aged or disabled, and the client's group's net income must not exceed 100% of the Federal

Poverty Limit (FPL). BEM 163 (July 1, 2017), p. 1-2. For AD Care, the client's group size consists of the client and the client's spouse. BEM 211 (December 1, 2025), p. 9.

In this case, Petitioner's group just consists of Petitioner. The income limit for household size of one for full coverage MA is \$1,324.00 per month. When group members receive income from social security RSDI, the gross amount received from RSDI is countable. BEM 163 at p. 2. However, \$20.00 is disregarded from social security RSDI income. BEM 541 (January 1, 2026), p. 3. In this case, Petitioner receives REDACTED per month from social security RSDI. After the \$20.00 disregard, the countable amount was REDACTED per month.

Petitioner has monthly self-employment income of REDACTED. However, REDACTED plus $\frac{1}{2}$ of Petitioner's remaining earnings is disregarded. Therefore, Petitioner has net earned income of REDACTED (REDACTED - REDACTED). Petitioner's net unearned income of REDACTED is added to Petitioner's net earned income of REDACTED resulting in a net income of REDACTED.

Petitioner was eligible for a Cost of Living Adjustment (COLA) exclusion of \$34.00. No evidence was provided that Petitioner was eligible for any other deductions. Therefore, Petitioner's countable income is REDACTED. Thus, Petitioner's net income exceeded the limit for Petitioner to be eligible for full-coverage MA because the income limit was \$1,324.00 per month, and Petitioner's income was REDACTED per month. Therefore, the Department properly found that Petitioner was not eligible for full-coverage MA.

Since the Department found Petitioner ineligible for health care coverage without a deductible under the Healthy Michigan Plan and AD Care, the Department determined that the best available coverage for Petitioner was Group 2 MA. Group 2 MA provides health care coverage for any month that (a) an individual's countable income does not exceed the individual's needs as defined in policy, or (b) an individual's allowable medical expenses equal or exceed the amount of the individual's income that exceeds the individual's needs. BEM 166 (April 1, 2017), p. 2.

To determine whether an individual's income exceeds her needs, the Department determines the individual's countable income and needs. Countable income is the same as the income that is used to determine eligibility for AD Care without a deductible. Needs consist of a protected income limit set by policy, the cost of health insurance premiums, and the cost of remedial services. BEM 544 (January 1, 2020), pp. 1-3. In this case, the Department properly determined that Petitioner's income exceeded Petitioner's needs by \$1,094.00 per month.

The Department calculated Petitioner's excess income by subtracting the protected income limit and the COLA exclusion amount from Petitioner's countable monthly income. As stated above, Petitioner's countable monthly income is REDACTED. The protected income limit for a household of 1 in REDACTED is \$408.00 per month. RFT 200 (April 1, 2017), pp. 1-3 and RFT 240 (December 1, 2013), p. 1. There was no evidence that Petitioner had a medical insurance premium, remedial services, or ongoing medical

expenses. Thus, Petitioner's excess income is REDACTED minus \$408.00 which equals \$1,094.00 per month.

Since Petitioner's countable income exceeds her needs by \$1,094.00, Petitioner will only be eligible for health care coverage for any month that her allowable medical expenses equal or exceed \$1,094.00. Petitioner did not present any evidence to establish that Petitioner had allowable medical expenses that equaled or exceeded \$1,094.00. If Petitioner has outstanding medical expenses that equal or exceed \$1,094.00, Petitioner should provide documentation of those expenses to the Department to obtain health care coverage.

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 FAP benefit amount beginning January 1, 2026, and Petitioner's MA eligibility beginning February 1, 2026.

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