



FH
[REDACTED]

STATE OF WISCONSIN
Division of Hearings and Appeals

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]

DECISION
Case #: BCS - 220570

PRELIMINARY RECITALS

Pursuant to a petition filed on October 22, 2025, under Wis. Stat. § 49.45(5)(a), to review a decision by the Lafayette County Department of Human Services regarding Medical Assistance (MA), a hearing was held on December 10, 2025, by telephone.

The issue for determination is whether the agency properly found that, effective November 1, 2025, Petitioner is no longer eligible for BadgerCare Plus (BCP) because his countable self-employment income exceeds the BCP income limit.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
[REDACTED]
[REDACTED]

Respondent:

Department of Health Services
201 E. Washington Ave.
Madison, WI 53703

By: Lynette Boatman
Lafayette County Department of Human Services
PO Box 130
Darlington, WI 53530

ADMINISTRATIVE LAW JUDGE:

Teresa A. Perez
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner (CARES # [REDACTED]) is a resident of Lafayette County who currently receives BadgerCare Plus as a one-person assistance group.

2. Petitioner submitted a BCP annual renewal on September 8, 2025 and provided his 2024 income taxes, as requested by the agency, to verify self-employment income that he reported on his renewal.
3. Petitioner is a farmer who derives his primary income from buying calves, raising them to a certain size, and then selling them to other farms. He derives lesser income from seed sales.
4. Petitioner's net farm profit in 2024 was \$21,385 (\$1,782.08 per month). This amount includes income from both cattle sales and seed sales.
5. Petitioner's 2024 taxes listed \$125.92 per month as the deductible portion of his self-employment taxes.
6. Petitioner reported to the agency that his 2024 self-employment income is not an accurate indicator of his 2025 self-employment income and contended that the following constituted significant changes in circumstances: 1. Increase in cattle prices, and 2. Vehicle depreciation from a truck purchased in 2025.
7. As of the date of the hearing, Petitioner expected his 2025 seed sales to be significantly lower than his 2024 seed sales. Petitioner did not report this anticipated change to the agency during his renewal.
8. The agency concluded that the two circumstances identified by Petitioner are part of the normal ebb and flow of business and thus did not constitute significant changes in circumstances.
9. By notice dated September 24, 2025, the agency informed Petitioner that his countable income of \$1,656.16 (i.e., \$1,782.08 per month net profit - \$125.92 deductible self-employment tax) was over his \$1,304.17 BCP income limit and that he would therefore be disenrolled as of November 1, 2025.
10. The Division of Hearings and Appeals received a request for fair hearing on October 24, 2025.
11. Petitioner requested that BCP benefits be continued pending the outcome of his appeal and that request was granted.

DISCUSSION

BadgerCare Plus (BCP) policy requires the agency to use the household's prior year's tax forms to prospectively budget countable self-employment income unless past circumstances do not represent present circumstances. *BadgerCare Plus Handbook (BCP HB)* §16.4.3.4. Agencies must use "anticipated earnings" when the person's business underwent a significant change in circumstances. *BCP HB* §16.4.3.4.3. "A significant change in circumstances is any change that can be expected to affect income over time." *Id.* Examples of significant changes include the sale of a business, unusual crop loss due to weather, substantial cost increase for a particular material that will cause there to be less profit per unit sold, sales that are consistently below previous levels for an unknown reason. *Id.* Normal sales fluctuations do not constitute a significant change. *Id.*

The agency here asserted that the circumstances reported by Petitioner during his renewal (i.e., the depreciation of a newly purchased vehicle and the increases in both the cost of purchasing calves and the income from selling started cattle) are part of the normal ebb and flow of business and not a significant change in business circumstances. Therefore, the agency concluded that it was proper to follow the default rule of looking to the most recent tax forms to predict future income.

At hearing, Petitioner conceded that the vehicle depreciation and increase in cattle prices were part of the ebb and flow of normal business but contended that prior seed sales were not representative of present circumstances. He explained that he did not mention this to the agency representative during the renewal process because he was not fully prepared to answer questions about changes in his business circumstances and he simply did not think of it at the time he spoke to the agency representative. That makes sense and I do not doubt the sincerity of his testimony; however, because he did not report the change in his seed sales to the agency, the agency never had a chance to assess whether that change constitutes a significant change in business circumstances, pursuant to the policy set forth in the *BCP Handbook*. And, I cannot find that the agency erred by not acting on information that Petitioner did not provide to it.

Petitioner provided a spreadsheet of his 2025 estimated income and expenses at the time of the hearing as well as sworn testimony regarding why a farmer's first year seed sales are likely to be higher than the next year's sales, and why he expected his seed sales to be lower in 2025 than 2024. Again, I found his testimony in that regard to be credible and sincere. Moreover, it is easy to believe that, generally, a person's most recent self-employment income and expenses are likely to be a more accurate predictor of their next year's income and expenses than the income and expenses reported on taxes filed nearly two years ago. When an individual has a program renewal towards the end of the calendar year, as was true for Petitioner, it may seem particularly strange to look at their most recently filed tax documents as evidence of the upcoming year's income because those tax documents will naturally not reflect the income and expenses of the year just coming to a close.

Had Petitioner offered more detailed documentation of his 2024 and 2025 seed sales to corroborate his general assertion that his seed sales have declined, I may have been better able to assess whether that change constituted a "significant change in circumstances" and/or recalculated his countable self-employment income. Based on the evidence available to me, I am unable to do so.

As stated by the agency representative at hearing, Petitioner may reapply for BCP and provide his 2025 tax forms as soon as they are complete.

CONCLUSIONS OF LAW

The agency properly found that, effective November 1, 2025, Petitioner was no longer eligible for BadgerCare Plus (BCP) because his countable self-employment income exceeds the BCP income limit. (The ongoing BCP benefits that Petitioner has received since November 1, 2025, pending the outcome of this appeal, will not be retroactively rescinded or cause any sort of overpayment.)

THEREFORE, it is

ORDERED

Petitioner's appeal is dismissed.

REQUEST FOR A REHEARING

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5th Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and

why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

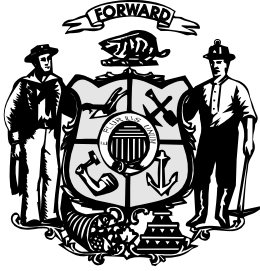
APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 201 E. Washington Ave., **and** on those identified in this decision as “PARTIES IN INTEREST” **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Madison,
Wisconsin, this 20th day of January, 2026

\s _____
Teresa A. Perez
Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin \DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on January 20, 2026.

Lafayette County Department of Human Services
Division of Health Care Access and Accountability