

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**IN THE MATTER OF:**

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████████████████████  
████████████████████

Reg. No.: 15-003531  
Issue No.: 2002  
Case No.: ██████████  
Hearing Date: April 27, 2015  
County: WAYNE-DISTRICT 19  
(INKSTER)

**ADMINISTRATIVE LAW JUDGE: Eric Feldman**

**HEARING DECISION**

Following Claimant'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 telephone hearing was held on April 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Health and Human Services (Department or DHHS) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) – Healthy Michigan Plan (HMP) coverage effective April 1, 2015?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant was an ongoing recipient of MA – HMP coverage.
2. On February 11, 2015, the Department sent Claimant a New Hire Client Notice (new hire), which requested the new hire employment report section to be completed by February 23, 2015. See Exhibit 1, pp. 4-5.
3. On February 19, 2015, the Department sent Claimant a Health Care Coverage Determination Notice (determination notice) notifying Claimant that her MA benefits would close effective April 1, 2015, ongoing, for failure to submit verification of income. See Exhibit 1, pp. 6-7.

4. The Department acknowledged that it in error failed to provide Claimant the 10 calendar days to submit the new hire as the determination notice was issued prior to the February 19, 2015 due date.
5. On February 27, 2015, Claimant filed a hearing request, protesting the Department's action. See Exhibit 1, p. 2.

### **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.

HMP is considered a Modified Adjusted Gross Income (MAGI) related category. Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, *Michigan Department of Community Health* (DCH), May 2014, p. 4. Available at [http://www.michigan.gov/documents/mdch/MAGI\\_Manual\\_457706\\_7.pdf](http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf).

The HMP provides health care coverage for individuals who:

- Are 19-64 years of age
- Have income at or below 133% of the federal poverty level under the MAGI methodology
- 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
- Are residents of the State of Michigan

Medicaid Provider Manual, *Michigan Department of Community Health*, January 2015, p. 453. Available at: <http://www.mdch.state.mi.us/dch-medicaid/manuals/medicaidprovidermanual.pdf>.

All criteria for MAGI eligibility must be met to be eligible for the Healthy Michigan Plan. Medicaid Provider Manual, p. 453.

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (January 2015), p. 8. This includes completion of necessary forms. BAM 105, p. 8 and see MAGI Related Eligibility Manual, p. 4 (Allow the individual at least 10 days (or other timeframe specified in policy) to obtain the needed information).

The Michigan Department of Health and Human Services (DHHS) routinely matches recipient data with other agencies through automated computer data exchanges. BAM 807 (July 2014), p. 1. New Hires is a daily data exchange of information collected by the Michigan New Hire Operations Center and obtained through the Office of Child Support. BAM 807, p. 1. New Hires information is used to determine current income sources for active DHHS clients. BAM 807, p. 1. The New Hire database is established from W-4 tax records (or other new hire reporting formats) submitted by employers to the Michigan New Hire Operations Center. BAM 807, p. 1.

The Department requests income verification by generating a DHS-4635, New Hire Notice, from its system. BAM 807, p. 1. When a DHS-4635 is requested, the Department automatically gives the client 10 calendar days to provide verification from the date the forms were requested. BAM 807, p. 1. If verifications are not returned by the 10th day, the case will close for a minimum of 30 days after appropriate actions are taken by the Department, unless client returns verifications. BAM 807, p. 2.

In this case, the Department acknowledged that it in error failed to provide Claimant the 10 calendar days to submit the new hire as the determination notice was issued prior to the due date. The Department gave the Claimant until February 23, 2015 to submit the new hire; however, the Department issued the determination notice (closure notice) on February 19, 2015. See Exhibit 1, pp. 4 and 6. Because the Department failed to provide Claimant the 10 calendar days to submit the income verification, it improperly closed Claimant's MA benefits effective April 1, 2015, in accordance with Department policy. BAM 105, p. 8; MAGI Related Eligibility Manual, p. 4; and BAM 807, pp. 1-2. It should be noted that Claimant eventually submitted the new hire on March 18, 2015.

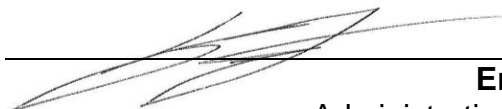
### **DECISION AND ORDER**

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 did not act in accordance with Department policy when it improperly closed Claimant's MA benefits effective April 1, 2015.

Accordingly, the Department's MA 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. Reinstate Claimant's MA case as of April 1, 2015;
2. Begin recalculating the MA budget for April 1, 2015, ongoing, in accordance with Department policy;
3. Issue supplements to Claimant for any MA benefits she was eligible to receive but did not from April 1, 2015, ongoing; and
4. Notify Claimant of its decision.



**Eric Feldman**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **4/28/2015**

Date Mailed: **4/28/2015**

EJF/tm

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date. A copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from MAHS within 30 days of the mailing date of this Hearing Decision, or MAHS **MAY** order a rehearing or reconsideration on its own motion. MAHS **MAY** grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]