



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 31, 2017  
MAHS Docket No.: 17-001215  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

**HEARING DECISION**

Following Petitioner’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 [REDACTED]. The Petitioner was present and represented by [REDACTED] Support Coordinator. The Department of Health and Human Services (Department) was represented by [REDACTED], Hearing Facilitator.

**ISSUE**

Did the Department properly closed Petitioner’s Medical Assistance (MA) for failure to pay Freedom to Work (FTW) premiums?

**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 was a recipient of MA benefits.
2. Petitioner was required to make monthly premium payments in the amount of [REDACTED]
3. Petitioner failed to make the [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] premium payments.

4. Petitioner submitted a payment in the amount of \$ [REDACTED] to cover the premium payments for [REDACTED].
5. On [REDACTED], the Department sent Petitioner a Health Care Coverage Determination Notice which notified Petitioner that his MA benefits would close effective [REDACTED] for failure to submit his premium payments.
6. On [REDACTED] Petitioner filed a Request for Hearing disputing the Department's actions.

### **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.

Additionally, FTW is available to a client with disabilities age 16 through 64 who has earned income. BEM 174 (October 2016), p. 1. Nonpayment of premium is automatically sent to Bridges and mass update will close the Freedom to Work category. BEM, p. 3. In this case, Petitioner was required to submit a monthly premium in the amount of [REDACTED].

Petitioner's representative testified that Petitioner did not submit the [REDACTED] payments because Petitioner had previously received correspondence that he was no longer required to pay premiums. Once the [REDACTED] invoice was received requesting the premium payment, Petitioner attempted to reach his assigned worker to discuss the discrepancy.

The Department continued to send invoices to Petitioner. The [REDACTED], invoice notified Petitioner that he was required to submit a payment in the amount of [REDACTED] on or before [REDACTED]. Petitioner submitted a payment in the amount of [REDACTED] on [REDACTED]. The [REDACTED] invoice reflected Petitioner's full payment and indicated that no payment was due.

The Department testified that Petitioner's MA benefits closed effective [REDACTED], due to Petitioner's failure to make timely premium payments. However, the Department was unable to articulate a reasonable explanation as to why it gave Petitioner a due date of [REDACTED], and then closed his MA benefits effective [REDACTED] when the payment was submitted before the [REDACTED] due date. It should be noted that the Department refunded the [REDACTED] payment to Petitioner. The Department was unsure as to why the refund was issued. It is therefore found that the Department improperly closed Petitioner's MA benefits given that he submitted the final payment prior to the assigned due date.

### 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 closed Petitioner's MA benefits effective [REDACTED]

Accordingly, the Department's 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 Petitioner's MA benefits effective [REDACTED]
2. Issue MA supplements Petitioner was eligible to receive but did not effective [REDACTED]
3. Determine whether Petitioner is required to remit a premium payment in the amount of [REDACTED]; and
4. Notify Petitioner in writing of its decision.

JM/hw



---

**Jacquelyn A. McClinton**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

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

**DHHS**

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

**Petitioner**

[REDACTED]  
[REDACTED]  
[REDACTED]