



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: August 7, 2017  
MAHS Docket No.: 17-006820  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 July 17, 2017, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator. [REDACTED] participated as an [REDACTED] translator.

**ISSUE**

The issue is whether MDHHS properly terminated Petitioner's Medical Assistance (MA) eligibility.

**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 an ongoing recipient of MA benefits.
2. Petitioner's MA eligibility was scheduled for redetermination beginning May 2017.
3. On an unspecified date, MDHHS terminated Petitioner's MA eligibility effective May 2017, for unspecified improper reasons.
4. On [REDACTED], Petitioner requested a hearing to dispute the termination of MA benefits.

## CONCLUSIONS OF LAW

The Food Assistance Program (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. MDHHS (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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of MA benefits effective May 2017. The MDHHS case summary indicated Petitioner's MA eligibility ceased because a redetermination was not processed timely. MDHHS also alleged Petitioner contributed to the failure by failing to submit acceptable verification of assets. Much of the hearing was spent determining whether Petitioner complied with a Verification Checklist dated [REDACTED] (see Exhibit 1, pp. 1-2) which requested Petitioner's checking account information. Some inferences can be made from the MDHHS presentation of evidence.

Part of the MDHHS explanation essentially conceded that the stoppage of Petitioner's MA eligibility was improper. MDHHS appeared to correct their error by attempting to process Petitioner's redetermination after Petitioner requested a hearing. MDHHS' attempt at correcting their error was thoughtful, but misguided. The proper remedy for a wrongful closure at MA benefit redetermination is to reinstate benefits and then to process the redetermination. The justification for the remedy lies within MDHHS policy.

[For Medicaid redeterminations,] benefits are not automatically terminated for failure to record receipt of the renewal packet. BAM 210 (April 2017), p. 12. [For MA benefit redeterminations,] Bridges gives timely notice of the negative action if the time limit is not met.

Upon certification of eligibility results, Bridges automatically notifies the client in writing of positive and negative actions by generating the appropriate notice of case action. BAM 220 (July 2016), p. 2. A notice of case action must specify... the action(s) being taken by the department [and] the reason(s) for the action. *Id.*

MDHHS did not present a Notice of Case Action. Presumably, a written notice of termination was not presented because MDHHS knew any notice sent before Petitioner's hearing request submission was improper. MDHHS testimony also indicated Petitioner's eligibility remained in limbo until "proper" verification of assets was submitted; thus, it is likely that a written notice was not issued after Petitioner's hearing request. Rather than keeping Petitioner's case closed while awaiting redetermination verifications, MDHHS should have reinstated Petitioner's MA eligibility and processed Petitioner's MA eligibility according to policy requirements. Thus, the termination of Petitioner's MA eligibility was improper.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly terminated Petitioner's MA eligibility. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's MA eligibility effective May 2017, subject to the finding that MDHHS failed to issue proper notice of termination; and
- (2) Initiate processing of Petitioner's MA redetermination in accordance with MDHHS policy.

The actions taken by MDHHS are **REVERSED**.

CG/hw



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**Christian Gardocki**

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]

**Petitioner**

[REDACTED]