



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: March 9, 2018  
MAHS Docket No.: 17-016284  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**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. After due notice, telephone hearing was held on February 7, 2018, from [REDACTED] Michigan. Petitioner represented herself. The Department was represented by [REDACTED] Assistance Payments Supervisor, and [REDACTED] Eligibility Specialist.

**ISSUE**

Did the Department of Health and Human Services (Department) properly close Petitioner's Medical Assistance (MA) benefits?

**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 September 19, 2017, the Department sent Petitioner two New Hire Client Notice (DHS-4635) forms requesting verification of employment at [REDACTED] Exhibit A, pp 11-12.
2. On September 20, 2017, the Department received a Change Report where Petitioner reported that she had started employment on September 4, 2017, at [REDACTED], after other employment at [REDACTED] had ended on September 1, 2017. Exhibit A, pp 6-9.
3. On September 28, 2017, the Department received a copy of Petitioner's first paycheck dated September 13, 2017, from [REDACTED] Exhibit A, p 10.

4. On September 28, 2017, the Department received a copy of a New Hire Client Notice (DHS-4635) for her employer, [REDACTED] and the employer was listed on the from as [REDACTED]. Exhibit A, pp 13-14.
5. On October 10, 2017, the Department notified Petitioner that her Medical Assistance (MA) benefits would close effective November 1, 2017. Exhibit A, pp 16-19.
6. On December 11, 2017, the Department received Petitioner's request for a hearing protesting the closure of her Medical Assistance (MA) benefits. Exhibit A, pp 2-3.

### **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.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. Department of Health and Human Services Bridges Eligibility Manual (BEM) 105 (April 1, 2017), p 2.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (January 1, 2018), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (April 1, 2017), pp 1-10.

Before determining eligibility, the Department will give the client a reasonable opportunity to resolve any discrepancy between her statements and information from another source. BAM 130.

For MAGI related categories of MA, self-attestation is acceptable for most eligibility factors. Sources available to the state must be utilized first before requesting documentation from the individual.<sup>1</sup>

Petitioner was an ongoing MA recipient under the Health Michigan Program (HMP), a MAGI related category of Medicaid, when the Department sent her two New Hire Client Notices (DHS-4635) on September 19, 2017, requesting verification of employment with [REDACTED], DDS.

On September 20, 2017, the Department received a Change Report where Petitioner reported that she had started employment on September 4, 2017, with [REDACTED]. Petitioner also reported that her employment at [REDACTED] had ended September 1, 2017.

On September 28, 2017, the Department received a copy of Petitioner's first paycheck and one completed New Hire Notice for her employer [REDACTED].

On October 10, 2017, the Department notified Petitioner that her MA benefits would close effective November 1, 2017, after Petitioner returned only the New Hire Client Notice for [REDACTED] but returned the notice for [REDACTED] blank.

The Michigan Department of Health and Human Services (MDHHS) routinely matches recipient data with other agencies through automated computer data exchanges. The State New Hires Match is a daily data exchange of information collected by the Michigan New Hire Operations Center and obtained through the Office of Child Support. State New Hires information is used to determine current income sources for active MDHHS clients. Department of Health and Human Services Bridges Administrative Manual (BAM) 807 (January 1, 2018), p 1.

The Department apparently received information that resulted in sending Petitioner two New Hire Client Notice forms for [REDACTED].

On September 20, 2017, the Department received conflicting information when Petitioner reported that she had started new employment with [REDACTED].

The Department closed Petitioner's MA benefits when she failed to return the New Hire Client Notice for a business that she claims she does not work for.

Petitioner credibly testified that [REDACTED] is a business owned by [REDACTED]. The paycheck statement she submitted on September 28, 2017, was issued by [REDACTED].

---

<sup>1</sup> Department of Health and Human Services Modified Adjusted Gross Income (MAGI) Related Eligibility Manual, p 24. This manual is available on the internet at [http://www.michigan.gov/documents/mdch/MAGI\\_Manual\\_457706\\_7.pdf](http://www.michigan.gov/documents/mdch/MAGI_Manual_457706_7.pdf)

This Administrative Law Judge finds that Petitioner complied with the Department's requests to provide sufficient verification of her current source of earned income necessary to accurately determine her eligibility for ongoing MA benefits. The Department sent a request for verification of employment with [REDACTED] and [REDACTED] but received only one New Hire Client Notice back listing [REDACTED] on the form for [REDACTED]. The Department closed Petitioner's MA benefits for failure to verify her circumstances, presumably because she failed to verify that she is not work for more than one business.

While it is not impossible that Petitioner could have more than one job, it is not unreasonable that the information available to the Department on October 10, 2017, was sufficient verification of Petitioner's current source of earned income. The Department had a completed New Hire Client Notice for [REDACTED], a Change Report showing employment with [REDACTED], a blank New Hire Client Notice for [REDACTED], and a first paycheck statement from [REDACTED] in addition to any information available from the data exchange. If this was not sufficient verification of Petitioner's current earned income, then the Department failed to give Petitioner a reasonable opportunity to resolve any discrepancy between her statements and information from the Michigan New Hire Operations Center as required by BAM 130.

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 Medical Assistance (MA) benefits.


### **DECISION AND ORDER**

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:

Initiate a determination of the Petitioner's eligibility for Medical Assistance (MA) under the most beneficial category available effective November 1, 2017.

KS/nr

  
\_\_\_\_\_  
Kevin Scully  
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]