



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED] MI [REDACTED]

Date Mailed: August 27, 2018  
MAHS Docket No.: 18-007396  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Jeffrey Kemm

**HEARING DECISION**

Following Petitioner's July 18, 2018, hearing request, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on August 22, 2018, from Lansing, Michigan. [REDACTED], Petitioner, appeared and represented herself. Petitioner did not have any additional witnesses. Julie McLaughlin, Family Independence Manager and Hearing Facilitator, and LaTanya Jackson, Eligibility Specialist, appeared for the Department.

One exhibit was admitted into evidence during the hearing. A 9-page packet of documents provided by the Department was admitted collectively as the Department's Exhibit A.

**ISSUE**

Did the Department properly terminate Petitioner's health care coverage?

**FINDINGS OF FACT**

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

1. In June 2018, Petitioner had health care coverage from the Department through the Healthy Michigan Plan.
2. On June 5, 2018, Petitioner contacted the Department and notified the Department that she wanted to obtain health care coverage for her Medicare part B premium (Medicare Savings Program). The Department initiated an application for health care coverage through the Medicare Savings Program.
3. On June 27, 2018, the Department issued a Verification Checklist to Petitioner to obtain information from Petitioner to review her eligibility for health care coverage.

The Department requested the verification because it received an asset detection alert that notified the Department that Petitioner had more money deposited in financial institutions than she had reported. The Verification Checklist instructed Petitioner to respond by July 9, 2018, and it notified her that failure to respond as instructed could result in the termination of her benefits.

4. In July 2018, Petitioner had health care coverage from the Department through the group 2 Aged, Blind, or Disabled program. Petitioner's health care coverage was subject to a spend down requirement.
5. Petitioner did not respond to the Department's Verification Checklist by July 9, 2018. Petitioner was busy helping her mother.
6. On July 10, 2018, the Department issued a Health Care Coverage Determination Notice to Petitioner which notified Petitioner that her health care coverage had been closed effective August 1, 2018, for failure to provide requested verification.
7. On July 18, 2018, Petitioner filed a hearing request to dispute the Department's decision.

### **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.

The Department must verify the value of countable assets at application, redetermination, and when a change is reported. BEM 400 (May 1, 2018), p. 59. The Department must tell the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. The Department must allow the client 10 calendar days to provide the verification that is requested. BAM 130 (April 1, 2017), p. 8. The Department must send a case action notice if the client refuses to provide the requested verification or the client fails to make a reasonable effort to provide it before the due date lapses. BAM 130, p. 8-9.

Here, the Department acted in accordance with its policies when it terminated Petitioner's health care coverage for her failure to make a reasonable effort to provide

requested information before the due date of the Verification Checklist. On June 27, 2018, the Department sent a Verification Checklist to Petitioner which instructed Petitioner to provide verification by July 9, 2018. Petitioner received the Notice, but she did not make a reasonable effort to provide the information to the Department by the due date. As a result, the Department sent a Health Care Coverage Determination Notice which notified Petitioner that her health care coverage would be closed effective August 1, 2018.

### **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 act in accordance with its policies and the applicable law when it issued its July 10, 2018, Health Care Coverage Determination which terminated Petitioner's health care coverage effective August 1, 2018.

IT IS ORDERED the Department's decision is AFFIRMED.

JK/nr



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Jeffrey Kemm  
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) 763-0155; 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**

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Muskegon County DHHS- via electronic  
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**Petitioner**

 MI