



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: May 31, 2019  
MOAHR Docket No.: 19-004357  
Agency No.: [REDACTED]  
Petitioner: [REDACTED] [REDACTED] [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Vicki L. Armstrong

**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; 42 CFR 438.400 to 438.424; 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 May 30, 2019, from Lansing, Michigan. Petitioners, [REDACTED] [REDACTED] and his wife, [REDACTED] [REDACTED] personally appeared and testified.

The Department of Health and Human Services (Department) was represented by Lead Worker Dana Bongers, Assistance Payment Supervisor, Carrie Taylor, and Eligibility Specialist, Amanda Bagley. The department submitted 17 exhibits which were admitted into evidence. The record was closed at the conclusion of the hearing.

**ISSUE**

Did the Department properly close the Petitioner's Medicaid and Medicare Cost Savings Program?

**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 [REDACTED] [REDACTED] 2019, Petitioner applied for the Food Assistance Program. [Dept. Exh. 3-9].
2. On [REDACTED] [REDACTED] 2019, the Department mailed the Petitioners a Verification Checklist requesting proof of assets, income and home rent, with a due date of January 22, 2019. [Dept. Exh. 10-11].

3. On February 11, 2019, the Department mailed the Petitioners a Health Care Coverage Determination Notice, informing the Petitioners that as of March 1, 2019, Mr. [REDACTED] was no longer eligible for Health Care Coverage based on the failure of the Petitioners to return verification of [REDACTED] [REDACTED] income. [Dept. Exh. 12-13].
4. On April 18, 2019, the Petitioners requested a hearing. [Dept. Exh. 1, 15-16].
5. During the hearing in the above-captioned matter, the Petitioners testified that they were getting so many letters from the department, sometimes as often as four times a month, always giving conflicting information, that they did not understand what was going on. Both Petitioners also stated that they had never received the verification checklist or the notice informing them that Mr. [REDACTED] no longer had medical coverage. [Testimony of [REDACTED] [REDACTED] and [REDACTED] [REDACTED] May 30, 2019].

### **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. As a preliminary matter, the Petitioner was only appealing the closure of the medical coverage.

Department policy states that clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105, p 9 (1/1/2018). This includes completion of the necessary forms. *Id.* Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. *Id.* Clients must take actions within their ability to obtain verifications. *Id.* at 14.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130, p 1 (4/1/2017). Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. *Id.*

The Department uses the Verification Checklist, DHS-3503, to tell the client what verification is required, how to obtain it and the due date. BAM 130, p 3. The client must obtain the required verification, but the Department must assist if they need and request help. *Id.*

A client is allowed 10 calendar days (or other time limit specified in policy) to provide the verification requested by the Department. BAM 130, p 7. The Department sends a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed and the client has not made a reasonable effort to provide it. *Id.* at 7.

The Petitioners testified at the hearing in this matter that they never received the [REDACTED] [REDACTED] 2019 Verification Checklist. The Department did not have any information in Petitioner's file indicating that the verification checklist was returned as undeliverable. Further, the Petitioners testified that they never received the [REDACTED] [REDACTED] 2019 Healthcare Coverage Determination Notice closing the Petitioner's medical coverage. The Department had no record of the Healthcare Coverage Determination Notice being returned to the Department.

The proper mailing and addressing of a letter creates a presumption of receipt. That presumption may be rebutted by evidence. *Stacey v Sankovich*, 19 Mich App 638 (1969); *Good v Detroit Automobile Inter-Insurance Exchange*, 67 Mich App 270 (1976). Petitioner failed to provide credible, material, and substantial evidence to rebut the presumption of receipt as the Department mailed all correspondence to the Petitioners address of record.


In this case, the Petitioner applied for FAP on [REDACTED] [REDACTED] 2019. On [REDACTED] [REDACTED] 2019, the Department issued a Verification Checklist with a due date of January 22, 2019. The Petitioners failed to timely return the requested verification concerning Mrs. [REDACTED] employment income. On February 11, 2019, the Department issued a Healthcare Coverage Determination Notice indicating Mr. [REDACTED] medical coverage was closed for failure to timely return the requested verification.

As a result, 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 acted in accordance with Department policy when it closed the Mr. [REDACTED] medical coverage for failure to submit verification of Mrs. [REDACTED] income.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

VLA/nr

  
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Vicki L. Armstrong  
Administrative Law Judge  
for Robert Gordon, 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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR 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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**Petitioner**

[REDACTED]  
[REDACTED]  
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[REDACTED]