



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

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Date Mailed: September 18, 2019  
MOAHR Docket No.: 19-008715  
Agency No.: ██████████  
Petitioner: ██████████

**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; 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 September 11, 2019, from ██████████ Michigan. Petitioner appeared and was unrepresented. ██████████, Petitioner's mother, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Gena Harrington, hearing facilitator.

### **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. As of July 2019, Petitioner was an ongoing recipient of Medicaid.
2. On July 3, 2019, MDHHS mailed Petitioner a New Hire Client Notice concerning Petitioner's employment with ██████████ (hereinafter, "Employer"). The form requested information of Petitioner's employment with Employer and any pay stubs received by Petitioner. The due date for Petitioner to return the form and pay stubs was July 15, 2019. Exhibit A, pp. 5-6.

3. On July 15, 2019, Petitioner returned the New Hire Client Notice with handwritten statements that she was no longer employed due to illness. Petitioner did not return pay stubs or information concerning hours, wages, or pays. Exhibit A, pp. 7-8.
4. On July 17, 2019, MDHHS initiated a termination of Petitioner's Medicaid eligibility, effective August 2019, due to Petitioner's failure to fully complete a New Hire Client Notice.
5. On July 31, 2019, MDHHS received Petitioner's hearing request disputing the termination of Medicaid.

### **CONCLUSIONS OF LAW**

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. 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 Medicaid. A Health Care Coverage Determination Notice dated July 17, 2019, informed Petitioner that her Medicaid was being terminated, beginning August 2019, due to Petitioner's failure to fully complete a New Hire Client Notice. Exhibit A, pp. 9-10.

MDHHS routinely matches recipient data with other agencies through automated computer data exchanges. BAM 807 (October 2018), p. 1. 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. *Id.* State New Hires information is used to determine current income sources for active MDHHS clients. *Id.*

When a new hire match occurs, MDHHS specialists are to contact the client immediately if the employment has not been previously reported. *Id.* Verification is to be requested by generating a DHS-4635, New Hire Notice. *Id.* When a DHS-4635 is requested, the client has 10 calendar days to provide verification from the date the form was requested. *Id.*, p. 2. If verifications are returned, the client's case should be updated. *Id.* If verifications are not returned by the 10<sup>th</sup> day, case action will be needed to close the case. *Id.*

MDHHS mailed Petitioner a New Hire Client Notice on July 3, 2019, requesting information of Petitioner's income from Employer. The New Hire Client Notice asked Petitioner to provide the start date of employment, date of first pay, hourly wage, and other various information about employment. Additionally, the notice requested

documentation verifying pays received by Petitioner. A due date of July 15, 2019 was stated.

In response to receiving the New Hire Client Notice, Petitioner returned it to MDHHS on July 15, 2019. On the form, Petitioner wrote that she was no longer employed due to illness. Petitioner did not provide any information concerning her hours, wage, start date, or end date. Petitioner also did not return documentation of her income.

Petitioner presumably considered her statement that she was no longer working to be an acceptable response. The purpose of the New Hire Client Notice is for MDHHS to learn information concerning a client's unreported employment to affect a client's eligibility. Petitioner failed in her reporting requirements by only reporting that she stopped working. Notably, MDHHS does not excuse a client for failing to return a New Hire Client Notice when a job is reported to have ended. Given Petitioner's failure to return sufficient information concerning her employment, MDHHS properly initiated termination of Petitioner's Medicaid case.

Petitioner contended that not providing sufficient employment information was partially the fault of MDHHS. Petitioner testified that she dropped-off the New Hire Client Notice at the MDHHS office and was told by an unnamed staff person that what she wrote on the notice was sufficient. Even if Petitioner's testimony was accurate, Petitioner was given clear instruction on the form to return copies of her pays and to list her hours, hourly wage, start date, and other information. Petitioner cannot neglect her clear reporting responsibilities based on an alleged conversation with unknown MDHHS staff. Furthermore, if Petitioner thought she complied with her reporting requirements, she should have realized otherwise after receiving notice of case closure two days later. The closure notice informed Petitioner that she failed to fully complete the document. Petitioner could have kept her case open by providing MDHHS with employment information before August 2019.<sup>1</sup> Petitioner did not provide her employment information to MDHHS

It is found that MDHHS properly terminated Petitioner's MA eligibility beginning August 2019. As discussed during the hearing, Petitioner's recourse is to reapply for benefits.

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<sup>1</sup> MDHHS issued timely notice of Medicaid closure. When timely notice is issued, MDHHS pends closure for at least 11 days to allow a client time to address the reason for closure. BAM 220.

**DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's Medicaid eligibility beginning August 2019. The actions taken by MDHHS are **AFFIRMED**.

CG/jaf



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**Christian Gardocki**  
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 Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS** (via electronic mail)

Lori Duda  
MDHHS-Oakland-2-Hearings  
BSC4  
D Smith  
EQAD

**Petitioner** (via first class mail)

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