



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
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[REDACTED]
[REDACTED]

Date Mailed: May 5, 2021
MOAHR Docket No.: 21-001587
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; 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 hearing was conducted via telephone conference line on April 29, 2021. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Hiba Murray, hearings facilitator.

ISSUE

The issue is whether MDHHS properly denied Petitioner's application requesting 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 [REDACTED], 2020, Petitioner applied for MA benefits and reported a household including only himself and receipt of unemployment income.
2. On an unspecified date, MDHHS received a wage match under Petitioner's social security number indicating that [REDACTED] received over \$13,000 in income in the third and fourth quarters of 2020 from [REDACTED] (hereinafter, "Employer").
3. On December 15, 2020, MDHHS mailed Petitioner a Verification Checklist (VCL) requesting proof of all income from the last 30 days. Petitioner's due date to return verification was December 28, 2020.

4. On an unspecified date, Petitioner returned to MDHHS verification of unemployment income.
5. On January 27, 2021, MDHHS denied Petitioner's application requesting MA benefits due to Petitioner's failure to verify employment income.
6. On [REDACTED] 2021, Petitioner requested a hearing to dispute the denial of MA benefits.

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 the denial of an application requesting MA benefits. Exhibit A, pp. 3-4. A Health Care Coverage Determination Notice dated January 27, 2021, stated that Petitioner's application was denied due to a failure to verify employment income. Exhibit A, pp. 19-21.

The Medicaid program includes several sub-programs or categories. BEM 105 (April 2017), p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MIChild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.* For either MA category, income must be verified at application. BEM 500 (July 2020) p. 13.

For all programs, MDHHS is to inform the client what verification is required, how to obtain it, and the due date. BAM 130 (April 2017), p. 3. MDHHS is to use the DHS-3503, Verification Checklist (VCL), to request verification. *Id.* For Medicaid, MDHHS is to allow the client 10 calendar days to provide the verification that is requested. *Id.*, p. 8. MDHHS may send a negative action notice when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed. *Id.*

Petitioner's MA application dated [REDACTED], 2020, reported weekly receipt of unemployment benefits and no other income. Exhibit A, pp. 7-15. MDHHS mailed Petitioner a VCL on December 15, 2020, requesting proof of all income, earned and unearned. Exhibit A, pp. 16-17. It was not disputed that Petitioner timely verified his

reported unemployment income. Exhibit A, p. 18. Presumably, MDHHS also requested verification of Petitioner's employment income after receiving a wage match under Petitioner's social security number. Exhibit A, p. 25. The document listed over \$13,000 in wages from Employer for the third and fourth quarters of 2020.¹ It was not disputed that Petitioner did not return proof of wages to MDHHS before his application was denied. The only dispute was whether the wage match verified earnings for Petitioner to be verified.

Petitioner's testimony denied ever working for Employer. Generally, such denials are dubious but there was evidence suggesting something askew in the present case. The wage match verifying income under Petitioner's name and social security number listed the income under an "employee name" for [REDACTED]. Exhibit A, p. 25. Petitioner is not [REDACTED]. If the wage match documentation erroneously associated Petitioner with Employer, Petitioner would have no reason to return to MDHHS verification of income from Employer. Unfortunately, neither MDHHS nor Petitioner investigated the inconsistencies of the wage match documentation before the hearing. Thus, it cannot be stated with any certainty whether Petitioner worked for Employer. Until MDHHS can explain why the wage match documentation listed an employee name other than Petitioner's, Petitioner cannot be faulted for failing to return income verification from Employer. Thus, MDHHS improperly denied Petitioner's application for MA benefits.

¹ Income was listed for the first and second quarters of 2020 as well. Significantly less income than \$13,000 was issued during the second quarter of 2020. The third and fourth quarters were referenced because the consistency of income in those quarters suggests that the employment continued through Petitioner's application date. If Petitioner were employed as of his application date, he would be obligated to verify income from employment.


DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's application for MA benefits. MDHHS is ordered to commence the following actions within 10 days of the date of mailing of this decision:

- (1) Re-register Petitioner's application dated [REDACTED], 2020 requesting MA benefits; and
- (2) Process Petitioner's application subject to the finding that MDHHS failed to establish a basis for requesting proof of employment income from Petitioner.

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

CG/tm



Christian Gardocki
Administrative Law Judge

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

Via Email:

MDHHS-Wayne-19-Hearings
C. George
EQADHearings
BSC4
MOAHR

**Petitioner –
Via First-Class Mail:**

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