



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN  
DIRECTOR

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Date Mailed: May 3, 2024  
MOAHR Docket No.: 24-001523  
Agency No.: ██████████  
Petitioner: ██████████

**ADMINISTRATIVE LAW JUDGE: Colleen Lack**

**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 April 4, 2024, from Lansing, Michigan. ██████████ ██████████ the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Ryan Clemons, Family Independence Manager (FIM).

During the hearing proceeding, the Department's Hearing Summary packet was admitted as Exhibit A, pp. 1-48.

**ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) benefit case?

**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 October ██████ 2023, Petitioner submitted a Redetermination for his MA case. (Exhibit A, pp. 35)
2. On October ██████ 2024, a Verification Checklist was issued to Petitioner requesting verification of income with a due date of October 24, 2024. It was noted that Petitioner must return his 2022 federal tax return including the schedule C because he is claiming self-employment. (Exhibit A, pp. 36-37)

3. On November ■ 2023, Self-Employment Income and Expense Statements were sent to Petitioner for the months of August, September, and October 2023. (Exhibit A, pp. 38-43)
4. On January ■ 2024, Petitioner submitted Self-Employment Income and Expense Statements. (Exhibit A, p. 35)
5. On January ■ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was denied effective March 1, 2024, based on the failure to provide requested verification. (Exhibit A, pp. 44-47)
6. On February 15, 2024, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, pp. 3-33)

### **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.

Regarding self-employment expenses, for Medicaid, allowable expenses include those allowed by the IRS on forms such as the Schedule C or F. Expenses are listed in Part II of both schedules. An individual with new self-employment may submit an estimated Schedule C, not yet filed with the IRS to assist in verifying expenses. Part V, other expenses on Schedule C requires documentation from the individual. Some individuals may include Schedule 1-6 with the federal tax return. BEM 502, October 1, 2019, p. 4. The Self-Employment Statement with receipts is utilized to verify self-employment expenses for all programs except MA. BEM 502, October 1, 2019, p. 8.

In general, verification is to be obtained when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. The Department must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department should use the best available

information. If no evidence is available, the Department is to use their best judgment. BAM 130, October 1, 2023, pp. 1-4.

For MA, the Department must allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, the Department can extend the time limit up to two times when specific conditions are met. Verifications are considered timely if received by the date they are due. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 8-9.

In this case, Petitioner submitted a Redetermination for his MA case on October █ 2023. (Exhibit A, pp. 35).

On October █ 2024, a Verification Checklist was issued to Petitioner requesting verification of income with a due date of October 24, 2024. It was noted that Petitioner must return his 2022 federal tax return including the schedule C because he is claiming self-employment. (Exhibit A, pp. 36-37). On November 6, 2023, Self-Employment Income and Expense Statements were sent to Petitioner for the months of August, September, and October 2023. (Exhibit A, pp. 38-43).

On January █ 2024, Petitioner submitted Self-Employment Income And Expense Statements. (Exhibit A, p. 35). On January █ 2024, a Health Care Coverage Determination Notice was issued to Petitioner stating MA was denied effective March 1, 2024, based on the failure to provide requested verification. (Exhibit A, pp. 44-47).

Petitioner explained that he did not receive the Verification Checklist for two weeks due to problems with the mail. Petitioner called the Department on November █ 2024 to report that he just received the Verification Checklist that was due on October 24, 2024. The Department worker Petitioner spoke with sent him the self-employment verification expense forms for Food assistance. (Petitioner Testimony). The FIM testified that there are case comments showing Petitioner called and was given extensions to the due date to provide the needed verification, the 2022 federal tax return including the schedule C. (FIM Testimony).

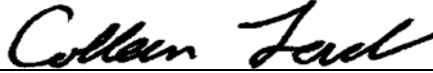
Overall, the evidence shows that at the time of the January █ 2024 determination, Petitioner had not provided the need verification of self-employment expenses for MA, specifically the 2022 federal tax return including the schedule C. Accordingly, the denial of MA was appropriate at that time.

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 determined Petitioner's eligibility for MA.

**DECISION AND ORDER**

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

CL/dm

  
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**Colleen Lack**  
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-Electronic Mail :**

**DHHS**  
Trista Waishkey  
Washtenaw County DHHS  
**MDHHS-Washtenaw-  
Hearings@michigan.gov**

**SchaeferM**

**EQADHearings**

**BSC4HearingDecisions**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**

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