



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: July 26, 2024  
MOAHR Docket No.: 24-005044  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner**

### **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 held by telephone on June 27, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Shyla Coleman, Eligibility Specialist and Hearings Facilitator, and Jeff Koteles, Office of Child Support (OCS) Child Support Lead Worker.

### **ISSUE**

Did the Department properly close Petitioner's Medicaid (MA) coverage 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. Petitioner has been a recipient of MA.
2. On February 29, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) approving Petitioner for full coverage MA effective April 2024 ongoing. (Exhibit A, pp. 17 – 20).
3. On [REDACTED] [REDACTED] 2024, Petitioner submitted an application for State Emergency Relief (SER) assistance and reported her sole source of income to be employment with Walgreens (Employer). (Exhibit A, pp. 32 – 37).

4. On or about April 17, 2024, the Department obtained a Consolidated Income Inquiry (CI) report regarding child support amounts being paid to Petitioner for four adult children, including [REDACTED] [REDACTED] (CB) and [REDACTED] [REDACTED] (MB). (Exhibit A, pp. 47 – 50).
5. On May 1, 2024, the Department sent Petitioner a Verification Checklist (VCL) for MA requesting verification of Petitioner's employment and self-employment income.
6. On May 1, 2024, the Department obtained a Work Number report through Equifax that reported that Petitioner had been employed by Employer and was terminated from that employment effective April 16, 2024. (Exhibit A, p. 40).
7. On May 7, 2024, the Department received a request for hearing from Petitioner regarding her MA coverage. (Exhibit A, p. 6).
8. As of May 10, 2024, Petitioner continued to have MA coverage. (Exhibit A, p. 21, Line 107).

### **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.

Petitioner requested a hearing in this matter concerning her MA coverage and her Food Assistance Program (FAP) benefits. However, at the hearing, Petitioner testified that she had a hearing regarding her FAP benefits prior to the instant hearing and had no outstanding issues related to FAP. She requested to withdraw any request for a hearing related to her FAP benefits and the Department had no objection. Therefore, Petitioner's request for hearing as to FAP is dismissed. The hearing proceeded to address Petitioner's MA case.

Although the HCCDN included in the Department's Exhibit A reflected that Petitioner has full coverage MA, the Department testified that Petitioner's MA case was pending closed because she failed to provide verifications. At the hearing, Petitioner also disputed the type of MA coverage MB has in a different case.

The Department introduced evidence that MB has her own MA case at a different address. (Exhibit B, pp. 1 – 3). Only adult members of the eligible group or the client's authorized hearing representative (AHR) may request a hearing as to a client's benefits through the Department. BAM 600 (February 2024), p. 2. There was no evidence that MB requested a hearing or designed Petitioner as her AHR and therefore, any issues regarding MB's MA coverage are not properly before the undersigned and any request for hearing as to MB's MA coverage is dismissed. Therefore, this decision will address Petitioner's MA coverage only.

An action by the Department that reduces, suspends, or terminates a client's MA coverage is a negative action. BAM 220 (November 2023), pp. 1, 11. Clients must be notified in writing of negative actions regarding MA coverage at least 11 days prior to the effective date of the intended action and must allow the client time to react to the proposed action. BAM 220, pp. 4 – 5.

In this case, the evidence established that Petitioner was approved for full coverage MA on February 29, 2024. (Exhibit A, pp. 17 – 20). However, at the hearing the Department testified that Petitioner was pended to close due to failure to return requested verifications. The Department explained that Petitioner applied for State Emergency Relief (SER) on [REDACTED] [REDACTED] 2024 and, as a result, a VCL for MA was sent to Petitioner on May 1, 2024 requesting that Petitioner provide proof of her employment and self-employment income by May 13, 2024. BAM 220, p. 1; BAM 210 (October 2023), p. 1.

The Department testified that on May 7, 2024, Petitioner returned a screenshot that reflected earnings for April 2024 but did not identify the source or payee of the earnings. (Exhibit A, p. 28). No evidence was offered to establish that Petitioner requested an extension of time to provide the verifications. BAM 130 (May 2024), p. 8. When Petitioner did not provide the requested verifications by the due date, her MA case should have been closed and the Department was to send her notice of closure of her MA case and allow her an opportunity to react to the closure. BAM 220, pp. 4 – 5, 19, 22 – 23; BAM 130, pp. 8 – 9. The Department testified that no HCCDN was sent to Petitioner regarding closure of her MA. Because the Department did not send the Petitioner timely notice of the negative action, it did not act in accordance with Department policy when it closed her MA case.

At the hearing, the Department acknowledged that Petitioner did provide all required verifications by June 26, 2024, the day prior to the instant hearing. When verification is required but the client fails to return the verification within 10 days after the change was reported, but does provide the verification at a later date, act on the change within 10 days after the verification is provided. BAM 220, p. 8. Here, the Department treated Petitioner's [REDACTED] [REDACTED] 2024 SER application as the change which prompted the request for verifications for Petitioner's MA and when Petitioner provided the verifications after the VCL due date, the Department has 10 days from June 26, 2024 to take action on Petitioner's MA. Because the 10-day period expires after the conclusion of the hearing,

any action by the Department's on and after June 26, 2024 regarding the verifications are not at issue here.

The Department testified that Petitioner's MA case has not been certified closed and suggested that it may be in uncertified status due to ongoing issues related to the veracity of the CI report and whether Petitioner is receiving all support payments being reported on the CI. (Exhibit A, pp. 47 – 50). During the hearing, Petitioner testified that she is not receiving all the child support amounts reported on the CI; specifically, she is not receiving the child support amount attributable to CB. Petitioner previously reported to the Department that she was advised by Friend of the Court that those support payments are being received by the State of Michigan (Exhibit A, p. 21, Line 105) and the OCS confirmed that the payments attributable to CB were not going to Petitioner and are going to state-owed arrears. Examination of the CI is consistent with the OCS' testimony and reflects that the amounts being paid for CB are child support certified state arrears. (Exhibit A, p. 48). As certified state arrears, the amounts being paid for CB are not income to Petitioner. BEM 503, pp. 7 – 8. To the extent the Department considered the child support payments attributable to CB in determining Petitioner's MA, it did not act in accordance with Department policy.

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 not act in accordance with Department policy when it closed Petitioner's MA case and did not send her timely notice of the negative action.

### **DECISION AND ORDER**

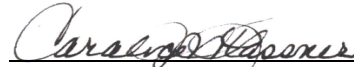
Accordingly, the Department's decision is **REVERSED** with respect to closure of Petitioner's MA case and **DISMISSED** with respect to FAP and MB's MA.

TO THE EXTENT IT HAS NOT ALREADY DONE SO, THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Issue a HCCDN to Petitioner regarding Petitioner's MA coverage for April 2024 ongoing;
2. If eligible, provide Petitioner with the most beneficial MA coverage she is eligible to receive; and

3. Notify Petitioner of its decision in writing.

CML/nr



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**Caralyce M. Lassner**  
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 :**

**Department Representative**  
Office of Child Support (OCS)-MDHHS  
201 N Washington Square  
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**Interested Parties**

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**Petitioner**

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