



GRETCHEN WHITMER  
GOVERNOR

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

MARLON I. BROWN, DPA  
ACTING DIRECTOR

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Date Mailed: November 20, 2023  
MOAHR Docket No.: 23-006011  
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 October 19, 2023, from Lansing, Michigan. ██████ ██████ the Petitioner, appeared on his own behalf. The Department of Health and Human Services (Department) was represented by Rebecca Ferrill, Assistance Payments Supervisor (APS).

During the hearing proceeding, the Department’s Hearing Summary packet was admitted as Exhibit A, pp. 1-19.

**ISSUE**

Did the Department properly deny ongoing Medical Assistance (MA) benefits for Petitioner based on a failure to provide requested verification?

**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 July ██████ 2023, Petitioner submitted a Redetermination for MA. Petitioner reported self-employment income working 1 hour and making \$██████ per “irregular” in one section and in another section, he did not include a projected annual income and reported his income does not change from month to month. Petitioner included copies of tax return documentation without the schedule C (Exhibit A, pp. 5-13)
2. The Department learned that Petitioner has both self-employment income and an LLC. (Exhibit A, p. 2; APS Testimony)

3. On July █ 2023, a Verification Checklist was issued to Petitioner requesting proof of all income for the last 30 days with a due date of August 7, 2023. (Exhibit A, pp. 15-16)
4. On August █ 2023, Petitioner submitted a DHS 431 Self-Employment Income and Expense Statement showing July income of \$█ (Exhibit A, pp, 17-18)
5. On August 21, 2023, the Department denied ongoing MA based on a failure to return 2022 taxes with Schedule C as requested and a written notice was issued. (Exhibit A, pp. 2 and 19)
6. On August 28, 2023, Petitioner filed a hearing request contesting the Department's determination. (Exhibit A, p. 4)

### **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.

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, January 1, 2023, pp. 1-3.

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, the Department stated that the denial of ongoing MA was based on a failure to verify his Schedule C as requested. (Exhibit A, pp. 2 and 19) The Department asserted that the Verification Checklist issued on July █████ 2023 requested Petitioner's Schedule C for the towing self-employment and proof of earned income from Auto Collision LLC. (Exhibit A, p. 2). However, the July █████ 2023, Verification Checklist issued to Petitioner requested proof of all income for the last 30 days with a due date of August 7, 2023. There was nothing on the Verification Checklist specifically requesting the Schedule C for the towing self-employment and proof of earned income from Auto Collision LLC. (Exhibit A, pp. 15-16). The Department did not provide evidence of any other request for verifications issued to Petitioner. Further, it appears that Petitioner attempted to comply with the Verification Checklist as written by submitting a DHS 431 Self-Employment Income and Expense Statement showing July income of \$██████████ (Exhibit A, pp, 17-18). Accordingly, the denial based on a failure to provide the Schedule C cannot be upheld. If additional verification was needed to determine MA eligibility, another verification checklist should have been issued specifying what documentation was still needed.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied ongoing MA benefits for Petitioner based on a failure to provide requested verification.

**DECISION AND ORDER**

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

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. Redetermine Petitioner's eligibility for MA, to include requesting any verifications still needed, in accordance with Department policy.

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**  
Jamie Dent  
Kalkaska County DHS  
**MDHHS-Kalkaska-  
Hearings@michigan.gov**

**SchaferM**

**EQADhearings**

**BSC2HearingDecisions**

**MOAHR**

**Via-First Class Mail :**

**Petitioner**

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