



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]  
[REDACTED]  
[REDACTED] GA [REDACTED]

Date Mailed: October 23, 2024  
MOAHR Docket No.: 24-001629  
Agency No.: [REDACTED]  
Petitioner: OIG  
Respondent: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Danielle R. Harkness**

**HEARING DECISION**

The Michigan Department of Health and Human Services (Department) requested a hearing alleging that Respondent, [REDACTED], was overpaid Medicaid (MA) benefits that the Department is entitled to recoup and/or collect as a recipient claim. Pursuant to the Department’s request and in accordance with MCL 400.9, 7 CFR 273.16, 42 CFR 431.230(b), and 45 CFR 235.110, and Mich Admin Code, R 400.3130 and R 400.3178, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on October 23, 2024. Walter Broadworth, Regulation Agent of the Office of Inspector General (OIG), represented the Department. Respondent did not appear at the hearing, and it was held in Respondent’s absence pursuant to 7 CFR 273.16(e)(4); Mich Admin Code, R 400.3130(5); or Mich Admin Code, R 400.3178(5).

A 34-page packet of documents submitted by the Department was admitted collectively as the Department’s Exhibit A.

**ISSUE**

1. Did Respondent receive an overpayment of MA benefits that the Department is entitled to recoup and/or collect as a recipient claim?

**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] 2019, Respondent applied for MA benefits.
2. On or around [REDACTED] 2020, the Department was advised that Respondent had a child, and MA benefits were opened for Respondent’s child.

3. On April 17, 2020, a health care coverage determination notice was issued indicating Respondent and Respondent's child was approved for MA beginning April 1, 2020. The notice advised Respondent that Respondent was required to report any change in residency to the Department within 10 days.
4. At the end of [REDACTED], Respondent and Respondent's child moved to [REDACTED]
5. On [REDACTED] 2021, Respondent began working at [REDACTED] in [REDACTED] and Respondent received Respondent's first paycheck from this employer on [REDACTED] 2021.
6. From August 1, 2021, to February 28, 2023, the Department paid \$[REDACTED] towards Respondent and Respondent's child's MA coverage while Respondent and Respondent's child were residing in [REDACTED]
7. Respondent was aware of the responsibility to report truthful and accurate information regarding Respondent's residency.
8. On February 23, 2024, the Department filed a hearing requesting that Respondent repay \$[REDACTED] to the Department for MA benefits that Respondent was ineligible to receive from August 1, 2021, through February 28, 2023.
9. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Service as undeliverable.

### **CONCLUSIONS OF LAW**

Medicaid (MA) is established by Title XIX of the Social Security Act, 42 USC 1396 to 42 USC 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 to 42 CFR 430.25. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10 and MCL 400.103 to MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

The Department alleged that Respondent was overissued MA benefits in the amount of \$[REDACTED]. The Department may request a hearing to establish a debt. BAM 600 (March 2021) p. 5. For MA benefits, the Department may seek recoupment for client errors or IPVs. BAM 710 (January 2018), p. 1. The Department may not pursue OIs for agency errors. *Id.* A client error occurs when a client receives more benefits than they were entitled to receive because the client gave incorrect or incomplete information to the Department. BAM 700 (October 2018), p. 7.

The Department alleges that the overpayment was caused because Respondent was residing in [REDACTED] while receiving MA benefits from the State of Michigan. A person must be a Michigan resident to receive MA issued by MDHHS. BEM 220, p. 1. For MA purposes, an individual is a Michigan resident if he or she is living in Michigan except for a temporary absence. Residency continues for an individual who is temporarily absent

from Michigan or intends to return to Michigan when the purpose of the absence has been accomplished. BEM 220, pp. 1-2.

As described in more detail above, the Department has established that Respondent failed to report Respondent's change in residency. During an interview with Respondent on [REDACTED] 2024, Respondent admitted that Respondent and Respondent's child had moved to [REDACTED] at the end of [REDACTED]. Further, Respondent's employment records demonstrate that Respondent was working in [REDACTED] and was no longer a Michigan resident and, therefore, not eligible for MA benefits in Michigan. Here, the evidence shows that Respondent moved to [REDACTED] while continuing to receive MA benefits from the State of Michigan.


From August 1, 2021, to February 28, 2023, the Department paid \$[REDACTED] to maintain Respondent's and Respondent's child's MA coverage. Respondent and Respondent's child were not eligible for any MA benefits during the overpayment period. Therefore, the Department is entitled to recoup and/or collect from Respondent an MA overpayment of \$[REDACTED].

#### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that Respondent did receive an overpayment of MA benefits in the amount of \$[REDACTED].

**IT IS ORDERED** that the Department initiate recoupment and/or collection procedures in accordance with Department policy for a MA overpayment in the amount of \$[REDACTED], less any amounts already recouped/collected for the fraud period.

DH/pt

  
**Danielle R. Harkness**  
Administrative Law Judge

