



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], MI [REDACTED]

Date Mailed: September 6, 2024
MOAHR Docket No.: 24-005888
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 held via Microsoft Teams (audio only) on August 7, 2024. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Priya Johnson, supervisor.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's and his spouse's Medicaid and Medicare Savings Program (MSP) eligibility.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of February 2024, Petitioner and his spouse, [REDACTED] [REDACTED] (hereinafter, "Spouse") were ongoing Medicaid recipients.
2. As of February 2024, Spouse received ongoing employment income.
3. On February 12, 2024, MDHHS mailed Petitioner a request for verification of the last 30 days of household income; the due date for Petitioner to return verification was February 22, 2024.

4. On April 24, 2024, MDHHS terminated Petitioner's and Spouse's Medicaid eligibility beginning June 2024.
5. On May 15, 2024, Petitioner requested a hearing to dispute the termination of Petitioner's and Spouse's Medicaid benefits beginning June 2024.
6. On May 28, 2024, Petitioner submitted to MDHHS a bank statement listing various deposits from Spouse's employer to a personal bank account.

CONCLUSIONS OF LAW

The 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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of Medicaid benefits. Exhibit A, pp. 3-5. A Health Coverage Determination Notice dated April 24, 2024, stated that MDHHS terminated Petitioner's and Spouse's MA eligibility beginning June 2024 due to Petitioner's alleged failure to verify income. Exhibit A, pp. 15-18.

For most Medicaid categories, wages are countable.¹ BEM 501 (January 2024) p. 3. For all programs, MDHHS is to inform the client what verification is required, how to obtain it, and the due date. BAM 130 (January 2023) p. 2. MDHHS is to use the DHS-3503, Verification Checklist (VCL), to request verification. *Id.* For MA, MDHHS is to allow the client 10 calendar days to provide the verification that is requested. *Id.*, p. 7. MDHHS may send a negative action notice when:

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

MDHHS presented a VCL dated February 12, 2024, requesting verification of the last 30 days of income for household members. Exhibit A, pp. 13-14. As of the VCL date, Spouse received wages within the last 30 days. It was not disputed that Petitioner did not submit verification of Spouse's wages until May 28, 2024: after the VCL due date of February 22, 2024, and after the termination notice date of May 15, 2024.

On May 24, 2024, during a prehearing conference, MDHHS testified it documented it spoke with Petitioner and advised that it did not receive pay stubs for Spouse. MDHHS further testified that Petitioner responded by returning to MDHHS on May 28, 2024, a

¹ The only exception is under the category for Medicaid for persons under 19. BEM 501 (January 2024) p. 3.

bank statement listing deposits to Spouse from her employer. MDHHS contended that account deposit statements are insufficient verification of wages, in part, because deposits do not verify gross income. For employment income, MDHHS is to verify gross wages. BEM 501 (January 2024) p. 7. Wage verifications may include the following: wage documents, Verification of Employment forms, statement signed by employers, and third-party verification websites (e.g., Equifax, TheWorkNumber...). *Id.*, pp. 11-12. Notably, a bank account statement is not an acceptable verification of wages.

Petitioner's testimony suggested that Spouse does not receive wage statements. Petitioner's testimony suggested that an account statement was the best verification of wages that could be submitted. MDHHS allows for alternative verifications if no other verification is available (see BAM 130). However, Petitioner did not allege any effort in trying to obtain documents directly from Spouse's employer. Also, Petitioner did not allege informing MDHHS that other verification was not available.

Due to Petitioner's failure to submit acceptable verification of Spouse's wages, MDHHS properly terminated Petitioner's and Spouse's MA eligibility beginning June 2024. If MA benefits are still needed for Petitioner and/or Spouse, both are encouraged to reapply for MA benefits, including any needed retroactive MA benefits.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's and Spouse's MA eligibility beginning June 2024. The actions taken by MDHHS are **AFFIRMED**.

CG/nr



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-Electronic Mail :

DHHS

Yaita Turner
Oakland County Southfield District III
25620 W. 8 Mile Rd
Southfield, MI 48033

MDHHS-Oakland-6303-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
[REDACTED] MI [REDACTED]