



GRETCHEN WHITMER  
GOVERNOR

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

MARLON BROWN  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: [REDACTED]  
MOAHR Docket No.: [REDACTED]  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Kevin Scully**

**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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on [REDACTED], from Lansing, Michigan. Petitioner represented himself. The Department was represented by Linda Cortes.

**ISSUE**

Did the Department of Health and Human Services (Department) properly deny Petitioner's application for Medical Assistance (MA)?

**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], the Department received Petitioner's application for Medical Assistance (MA).
2. On [REDACTED] the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of his self-employment income.
3. On [REDACTED], the Department notified Petitioner that his application for Medical Assistance (MA) had been denied.
4. On [REDACTED], the Department received Petitioner's request for a hearing.

## 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 through 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 through 42 CFR 420.25. The Department administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.103 through MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

The Department will 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, extend the time limit up to two times. Department of Health and Human Services Bridges Administrative Manual (BAM) 130 (May 1, 2024), p 8.

Acceptable verification sources of self-employment income are the individual's federal income tax return including the Schedule C, Profit or Loss From Business, including all attachments. The Schedule C form is acceptable even if not yet filed with the IRS. Department of Human Services Bridges Eligibility Manual (BEM) 502 (June 1, 2024), pp 7-8.

Petitioner applied for MA benefits on [REDACTED] reporting that he receives self-employment income. On [REDACTED], the Department notified Petitioner that proof of all his earned and unearned income was necessary and that he should provide proof of self-employment records over the last year.

The hearing record supports a finding that Petitioner provided some self-employment records but that he did not provide a copy of his federal tax return or his Schedule C tax form.

This Administrative Law Judge finds that Petitioner made a reasonable attempt to provide the Department with verification of his self-employment income and expenses, and that he was not informed of the requirement to submit a copy of his tax return.

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 denied Petitioner's application for Medical Assistance (MA).


**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:

Reprocess Petitioner's [REDACTED] application for assistance and initiate a determination of the Petitioner's eligibility for Medical Assistance (MA) as of May 1, 2024.

KS/th

  
\_\_\_\_\_  
**Kevin Scully**  
Administrative Law Judge  
Michigan Office of Administrative Hearings and  
Rules (MOAHR)

**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**

Joann Sepic  
Berrien County DHHS  
401 Eighth Street  
Benton Harbor, MI 49023  
**MDHHS-Berrien-Hearings@michigan.gov**

**Interested Parties**

M. Schaefer  
EQADhearings  
BSC3  
MOAHR

**Via-First Class Mail :**

**Petitioner**

