



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], MI [REDACTED]

Date Mailed: August 8, 2024
MOAHR Docket No.: 24-007481
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 on August 7, 2024, via teleconference. Petitioner appeared and represented herself. Avery Smith, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted at the hearing as MDHHS Exhibit A, pp. 1-14.

ISSUE

Did MDHHS properly terminate Petitioner's Medicaid (MA) coverage and Medicare Savings Program (MSP) benefits?

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 was an ongoing recipient of MA coverage and MSP benefits.
2. On May 4, 2024, MDHHS sent Petitioner a Verification Checklist (VCL) requesting verification of Petitioner's "Bank Account Checking" (Exhibit A, p. 5). The VCL indicated that proofs were due by May 13, 2024 (Exhibit A, p. 5).
3. On [REDACTED] 2024, Petitioner submitted a copy of her checking account statement from [REDACTED] (Exhibit A, p. 7).

4. On June 12, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was ineligible for Medicare Savings Program (MSP) benefits, effective April 1, 2024 ongoing (Exhibit A, p. 12).
5. On June 25, 2024, Petitioner requested a hearing regarding MDHHS' determination (Exhibit A, pp. 3-4).

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).

Medicaid (MA) 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.

In this case, MDHHS terminated Petitioner's MA coverage and MSP benefits due to an alleged failure to return the requested verifications timely.

MDHHS requests verification of a client's written or verbal statements when required by policy or when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130 (May 2024), p. 1. The questionable information might be from a client or third party. *Id.* Verification is usually required at application or redetermination. *Id.* To request verification, MDHHS must send the client a Verification Checklist (VCL), which tells the client what verification is required, how to obtain it and the due date. *Id.*, pp. 3-4. For MA, MDHHS must allow the client ten calendar days to provide the verification requested. *Id.*, p. 8. If the client cannot provide the verification despite a reasonable effort, MDHHS is permitted to extend the time limit up to two times. *Id.*

Here, MDHHS testified that it terminated Petitioner's MA coverage because she failed to return proof of her checking account information. The record shows that Petitioner returned a checking account statement from [REDACTED] prior to the deadline (Exhibit A, p. 7). MDHHS testified that this was insufficient because it was seeking verification of a different checking account. However, the VCL does not specify a checking account number, or a bank associated with the checking account in question. At the hearing, Petitioner credibly testified that she attempted to comply with MDHHS' request but did not know that the bank account information that she returned was insufficient. She further testified that she did not know that there was another bank account in her name and after some investigation, she discovered that the bank account was no longer active.

The record shows that MDHHS failed to properly inform Petitioner of what verification was needed, because it did not specify which bank account it needed to verify on the VCL. MDHHS is required to inform clients what specific information is needed, and how to obtain it. Further, Petitioner attempted to comply by sending a bank account statement to MDHHS, and no evidence was presented that MDHHS told Petitioner that this information was insufficient prior to the deadline. Thus, MDHHS has not established that it properly informed Petitioner regarding what information was needed and MDHHS has not established that it properly assisted Petitioner, pursuant to Department policy.

Additionally, although MDHHS stated that Petitioner's MA coverage was terminated, the Health Care Coverage Determination Notice indicates that her MSP benefits were denied and is silent regarding MA coverage. The effective date of the MA termination is unclear from the record. The notice indicates that Petitioner's MSP benefits were terminated, effective April 1, 2024. Because it is unclear when Petitioner's MA benefits were terminated, MDHHS should redetermine Petitioner's eligibility for MA and MSP from April 1, 2024 ongoing.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Petitioner's MA and MSP benefits.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**. MDHHS 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. Reinstate Petitioner's MA case and redetermine her eligibility for MA and MSP from April 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial category of MA coverage and MSP benefits that she is eligible to receive, from April 1, 2024 ongoing; and
3. Notify Petitioner of its decision in writing.

LJ/pt



Linda Jordan
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]
[REDACTED] MI [REDACTED]