



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: October 29, 2024  
MOAHR Docket No.: 24-009543  
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 October 2, 2024, via teleconference. Petitioner appeared and represented herself. H. Czechowski, Hearings Coordinator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence as MDHHS Exhibit A, pp. 1-39.

### **ISSUE**

Did MDHHS properly terminate Petitioner's Medicaid (MA) coverage?

### **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.
2. On [REDACTED], 2024, Petitioner submitted a renewal for Food Assistance Program (FAP) benefits (Exhibit A, p. 6).
3. On March 4, 2024, MDHHS sent Petitioner a Verification Checklist (VCL) requesting verification of Petitioner's self-employment income (Exhibit A, p. 17). The VCL stated that Petitioner could provide one of the following: recent business receipts, recent account or business record, or recent tax return (Exhibit A, p. 17). The VCL indicated that the proofs were due by March 14, 2024 (Exhibit A, p. 17).

4. On March 4, 2024, MDHHS sent Petitioner Self-Employment Income and Expense Statements (Exhibit A, p. 20). Petitioner returned the statements to MDHHS (Exhibit A, p. 26).
5. On July 26, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating that she was not eligible for MA, beginning September 1, 2024, because she did not verify her income information (Exhibit A, p. 32).
6. On August 15, 2024, Petitioner requested a hearing regarding her MA coverage (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 MA pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, MDHHS terminated Petitioner's MA coverage due to an alleged failure to provide the required verifications.

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 (October 2023), 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. Before determining eligibility, MDHHS must give the client a reasonable opportunity to resolve any discrepancy between the client's statements and information from another source. *Id.*, p. 9. Clients must obtain the verification, but MDHHS must assist the client if the client needs and requests help. *Id.*, p. 4. If neither the client nor the local office can obtain verification despite a reasonable effort, MDHHS must use the best available information. *Id.*, p. 4. If no evidence is available, MDHHS is required to use its best judgment. *Id.*

MDHHS alleged that Petitioner failed to verify her self-employment income and that it needed a copy of the Schedule C from Petitioner's most recent tax return in order to verify her eligibility for MA. However, based on the VCL, MDHHS did not specifically request Petitioner's tax return. It requested one of several documents to verify her income. If MDHHS required the Schedule C, specifically, it should have requested it in writing,

pursuant to MDHHS policy. At the hearing, Petitioner credibly testified that she was attempting to comply with MDHHS' verification requests and that she thought she had satisfied the request by returning the self-employment income and expense statements. Additionally, she testified that she had an extension for filing her taxes and did not have a copy of the Schedule C from the most recent tax year.

The record shows that Petitioner made a reasonable effort to obtain the requested documentation, and the VCL did not specifically request Petitioner's tax return. Thus, MDHHS failed to establish that it properly informed Petitioner what verification was needed, contrary to Department policy.

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

### **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 coverage, effective September 1, 2024 ongoing;
2. Provide Petitioner with the most beneficial category of MA coverage that she is eligible to receive from September 1, 2024 ongoing; and
3. Notify Petitioner of its decision(s) 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**  
Hannah Czechowski  
Genesee County DHHS Clio Rd Dist.  
4809 Clio Road  
Flint, MI 48504  
**MDHHS-Genesee-Clio-Hearings@michigan.gov**

**Interested Parties**

BSC2  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail:**

**Petitioner**

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