



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

MARLON BROWN
DIRECTOR

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Date Mailed: November 20, 2024
MOAHR Docket No.: 24-011342
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 telephone hearing was held on November 7, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Rosemary Molsbee-Smith, Eligibility Specialist.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) case?

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 benefits.
2. In connection with a redetermination, Petitioner's eligibility to receive MA benefits was reviewed. On the redetermination submitted to the Department on June 4, 2024, Petitioner reported that she was self-employed performing home cleaning services an average of 10 hours per week and paid ██████████ per week. Petitioner reported that her income changes from month-to-month and varies due to inconsistent client commitments. She estimated that her total annual income would be ██████████ (Exhibit A, pp. 16-29)
3. On or around June 11, 2024, the Department sent Petitioner a Verification Checklist (VCL) instructing her to submit proof of her federal income tax return and Schedule C to the Department by June 21, 2024. The VCL informed Petitioner that she was to provide proof of the last 30 days for her employment, unemployment, social

security benefits, pension, as well as proof of self-employment/expense records for the last year. Petitioner was informed that she could include copies of check stubs, self-employment records, or a statement from her source of income. (Exhibit A, pp.23 – 24)

4. The Department asserted that Petitioner failed to submit proof of her self-employment income by the June 21, 2024, due date identified on the VCL.
5. On or around August 20, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice, advising her that effective October 1, 2024, her MA case would be closed because she failed to return verification of her income. (Exhibit A, pp. 25 – 29)
6. On or around September 30, 2024, Petitioner requested a hearing disputing the Department's actions with respect to the closure of her MA case. (Exhibit A, pp. 4-5)

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 1396-1396w-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. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, Petitioner disputed the closure of her MA case effective October 1, 2024.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (May 2024), p.1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, pp. 3-4.

For MA cases, clients are given 10 calendar days (or other time limit specified in policy) to provide the verifications requested by the Department. BAM 130, pp. 7-9. If the client

cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to submit the verifications up to two times. BAM 130, pp. 7-9. Verifications are considered to be timely if received by the date they are due. BAM 130, pp. 7-9. The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has lapsed. BAM 130, pp. 8-9.

At the hearing, the Department representative testified that Petitioner's MA eligibility was due for review and Petitioner submitted a redetermination/renewal on or around June 4, 2024. The Department representative testified that after receiving the redetermination and based on the information reported by Petitioner, the Department issued a VCL on June 11, 2024, instructing Petitioner to submit proof of her federal income tax return and Schedule C by June 21, 2024, to verify her self-employment income. See BEM 502. The Department representative testified that because Petitioner failed to submit any verification of her income by the June 21, 2024, due date identified on the VCL, the Department initiated the closure of Petitioner's MA case effective October 1, 2024, by issuing the August 20, 2024, Health Care Coverage Determination Notice. There was no evidence that Petitioner requested an extension or additional time to submit the requested verification or that Petitioner requested assistance from the Department in obtaining the verifications that were requested.


While Petitioner testified that she did not receive the VCL, Petitioner confirmed that she received the Health Care Coverage Determination Notice advising her of the case closure. There was no evidence that the VCL sent to Petitioner was returned to the Department as undeliverable by the United States Postal Service and no evidence that Petitioner reported any problems with her mail to the Department. At the hearing, Petitioner reported that she did not file a federal tax return in 2023 and does not have a business. Case comments presented for review indicate that in October 2024, Petitioner advised the Department that she did not file a federal income tax return and did not know what she was required to submit. The Department representative testified that after receiving Petitioner's request for hearing, a representative from the Department spoke with Petitioner and advised her that she could still submit a Schedule C for her self-employment, even if it was not filed with the IRS. Petitioner indicated that she is no longer self-employed as a housecleaner and does not have any earnings.

Upon review, notwithstanding Petitioner's testimony during the hearing, Petitioner reported on her redetermination that she was employed and had self-employment income. In accordance with Department policy, Petitioner was required to submit verification of her income in order for the Department to review her continued eligibility for MA. Petitioner failed to submit any verification of her income or loss of income to the Department prior to the case closure. Therefore, 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 acted in accordance with Department policy when it closed Petitioner's MA case effective October 1, 2024. Petitioner is advised that she is entitled to submit a new application for MA benefits and her current MA eligibility will be determined.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

ZB/ml



Zainab A. Baydoun
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

Yvonne Hill

Oakland County DHHS Madison Heights Dist.

30755 Montpelier Drive

Madison Heights, MI 48071

MDHHS-Oakland-DistrictII-Hearings@michigan.gov

Interested Parties

BSC4

M Schaefer

EQAD

MOAHR

Via First Class Mail:

Petitioner

[REDACTED]

[REDACTED]

[REDACTED], MI [REDACTED]