



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

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██████████, MI ██████████

Date Mailed: November 22, 2024
MOAHR Docket No.: 24-011679
Agency No.: ██████████
Petitioner: ██████ ██████

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on November 12, 2024. Petitioner appeared 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 Food Assistance Program (FAP) effective November 1, 2024?

Did the Department properly deny Petitioner's and son's, ██████ ██████ (Son), Medicaid (MA) coverage effective October 1, 2024?

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 FAP benefits for herself and Son, and Petitioner and Son were ongoing recipients of MA coverage. Son was ██████ years old as of August 5, 2024. (Exhibit A, pp. 9 – 10).
2. On August 5, 2024, the Department received the completed MA redetermination application from Petitioner. Petitioner confirmed that Son had employment income from ██████ ██████ ██████ (Employer), corrected Son's child support income, and increased her own self-employment hours to reflect 5 hours in an irregular frequency. (Exhibit A, pp. 9 – 15).

3. On August 19, 2024, the Department sent Petitioner a Verification Checklist (VCL) for MA and FAP and requested a) verification of Son's last 30 days of income, and b) Petitioner's Retirement, Survivors, and Disability Insurance (RSDI) income, by August 29, 2024. The Department did not request verification regarding Petitioner's increased self-employment income. (Exhibit A, pp. 16 – 17).
4. On September 5, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved Petitioner and Son for full coverage MA for September 2024, and denied Petitioner and Son for MA effective October 1, 2024 ongoing for failure to return requested verifications. (Exhibit A, pp. 19 – 21).
5. On October 1, 2024, the Department sent Petitioner a Notice of Case Action (NOCA) that closed Petitioner's FAP case effective November 1, 2024 ongoing for failure to return requested verifications. (Exhibit A, pp. 24 – 25).
6. On October 9, 2024, the Department received a request for hearing from Petitioner to dispute closure of her FAP case and denial of her and Son's MA. (Exhibit A, pp. 4 – 7).
7. From October 15, 2024 through the date of the hearing, Petitioner provided multiple documents to the Department, the Department made a number of changes to the information in Petitioner's case file, and the Department requested additional documents from Petitioner. (Exhibit A, pp. 28– 36; 37, Serial No. 64 – 69).
8. As of the date of the hearing, Petitioner's FAP case remained closed due to Petitioner's failure to return income verification, Petitioner's MA was pending due to additional information provided to the Department by Petitioner, and Son's MA was pending for verification of his income.

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).

Petitioner requested a hearing to dispute the closure of her FAP case and denial of her and Son's MA coverage. The Department closed Petitioner's FAP case and denied her and Son's MA coverage for failure to provide requested verifications.

FAP

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The

Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Petitioner requested a hearing to dispute closure of her FAP case. Petitioner's FAP case was closed for failure to provide verification of Son's income.

The Department must redetermine an individuals' eligibility for active programs at least every 12 months, which includes a thorough review of all eligibility factors. BAM 210 (January 2024), pp. 1, 3. As part of the redetermination process, verification is usually required. BAM 130 (May 2024), p. 1. All non-excluded earned income must be verified at redetermination. BEM 501 (January 2024), p. 1. For FAP, earnings of a child under the age of 18, who lives with a parent or caretaker, and who is attending elementary, middle, high school, homeschooled, or attending classes to obtain a GED, are excluded. BEM 501, p. 2.

In this case, Petitioner submitted a redetermination application for MA for herself and Son, who was ■ years old at that time. Although there was no evidence that Son's income was countable, the Department sent Petitioner a VCL on August 19, 2024, requesting verification of Son's last 30 days of income from Employer, and Petitioner's RSDI income, with a due date of August 29, 2024. (Exhibit A, pp. 16 – 17); BAM 210 (October 2024), p. 1. The Department testified that verification of Petitioner's RSDI income was resolved. However, verification of Son's income was not provided to the Department by the due date and the Department sent Petitioner a NOCA that her FAP case was closed effective November 1, 2024. (Exhibit A, pp. 24 – 25). Because the Department closed Petitioner's FAP case for failure to verify Son's income without further explanation of why Son's income was countable, the Department failed to show that it acted in accordance with Department policy when it closed Petitioner's FAP case.

Additionally, although the Department testified at the hearing that it failed to request verification of the increased self-employment income Petitioner disclosed on her MA redetermination application, and that additional actions were taken by the Department on Petitioner's case following the NOCA, the Department's failure to verify self-employment income was not attributable to Petitioner or given as the basis for the Department's closure of Petitioner's FAP case.

MA

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.

Petitioner requested a hearing to dispute the Department's denial of MA for herself and Son, a minor child. The Department denied Petitioner and Son MA effective October 1, 2024, for failure to return verifications.

MA eligibility usually requires verification of information as part of the redetermination process. BAM 130 (October 2023), p. 1. However, the type of verification required depends on the type of MA coverage the client may be eligible for. BAM 130, pp. 1 – 2, 4; BEM 501, pp. 2 – 3. Low Income Family (LIF) is a Modified Adjusted Gross Income (MAGI)-related subgroup and eligibility for the subgroup is determined after a successful MAGI-related eligibility determination for either Parent/Caretaker Relative (G2C) or Children Under 19 (U19). BEM 110 (April 2018), p. 1. The earnings of a) a dependent child in a LIF group, or b) an individual under 19 who lives with a parent or caretaker, are disregarded. BEM 501, pp. 2 – 3.

As explained previously, the Department sent Petitioner a VCL that requested verification of her RSDI income and ■ year old Son's employment income. The Department's case comments indicate that Petitioner and/or Son were in a LIF subgroup until the Department closed it for failure to return verifications. (Exhibit A, p. 37, Serial No. 66). The Department testified that its request for verification of Petitioner's RSDI income was resolved, and it did not request verification of Petitioner's self-employment income. Therefore, the only outstanding verification was of Son's income, however, there was no evidence that verification of his income was appropriate when he was ■ years old, in a LIF group at the time of the request, and lived with his parent. In the absence of evidence that the request for verification was properly made, the Department failed to establish that it acted in accordance with Department policy when it denied Petitioner and Son MA based on failure to provide verifications.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's FAP case and denied Petitioner and Son MA coverage.

DECISION AND ORDER

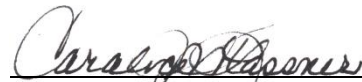
Accordingly, the Department's decision is **REVERSED**.

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:

1. Redetermine Petitioner's eligibility for FAP benefits for November 1, 2024 ongoing;
2. If Petitioner is eligible for any FAP benefits, issue supplemental payments to Petitioner for any FAP benefits she was eligible to receive but did not, from November 1, 2024 ongoing;

3. Redetermine Petitioner's and Son's individual eligibility for MA for October 1, 2024 ongoing;
4. If eligible, provide Petitioner with the most beneficial MA coverage she is eligible to receive for October 1, 2024 ongoing;
5. If eligible, provide Son with the most beneficial MA coverage he is eligible to receive for October 1, 2024 ongoing;
6. Notify Petitioner of its decision in writing.

CML/nr



Caralyce M. Lassner
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

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Petitioner

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