



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

MARLON I. BROWN, DPA DIRECTOR



Date Mailed: January 21, 2025 MOAHR Docket No.: 24-013749

Agency No.: Petitioner:

**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 January 15, 2025, via teleconference. Petitioner appeared and represented himself. Andrea Edwards, Hearing Coordinator, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-26.

## <u>ISSUE</u>

Did MDHHS properly deny Petitioner's application for Food Assistance Program (FAP) benefits and 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. On 2024, Petitioner applied for program benefits, including MA and FAP (Exhibit A, p. 7).
- 2. On November 15, 2024, MDHHS sent Petitioner a Verification Checklist (VCL) requesting proof of income from (Employer) and proof of loss of employment from Employer by November 25, 2024 (Exhibit A, p. 15).
- 3. On December 9, 2024, MDHHS sent Petitioner a Notice of Case Action indicating that he was not eligible for FAP benefits, effective January 1, 2025, for failure to verify employment income (Exhibit A, p. 19). Also on December 9, 2024, MDHHS sent Petitioner a Health Care Coverage Determination Notice indicating he was not

eligible for MA, effective January 1, 2025 ongoing, for failure to verify employment income (Exhibit A, p. 19).

4. On December 16, 2024, Petitioner requested a hearing (Exhibit A, p. 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). 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. MDHHS administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011. 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 denied Petitioner's application for FAP benefits and MA coverage for failure to return the requested verifications.

MDHHS is required to obtain verification when it is required by policy or information is unclear or incomplete. BAM 130 (May 2024), p. 1. To obtain verification, MDHHS must tell the client what verification is required, how to obtain it and the due date. *Id.*, p. 3. MDHHS is required to use a VCL to request verification from clients. *Id.* The client must obtain the requested verification, but the local office must assist the client if they need and request help. *Id.*, p. 3. If neither the client nor the local office can obtain verification despite a reasonable effort, MDHHS must use the best available information. *Id.* If no evidence is available, MDHHS must use its best judgement. *Id.* MDHHS is required to give the client a reasonable opportunity to resolve any discrepancy between the client's statements and information from another source. *Id.*, p. 9.

MDHHS allows the client ten calendar days to provide the requested verification. BAM 130, p. 7. Verifications are considered timely if received by the date that they are due. *Id.* MDHHS sends a negative action notice when the client indicates a refusal to provide the requested verification, or the time period given on the VCL has lapsed and the client has not made a reasonable effort to provide it. *Id.* For FAP, if the client contacts MDHHS prior to the due date requesting an extension or assistance in obtaining verifications, MDHHS is required to assist the client but may not grant an extension. *Id.* If the client returns the requested verifications, eligibility will be determined based on the compliance date, following subsequent processing rules. *Id.* For MA, MDHHS may grant

an extension if the client requests it, the need for the extension is documented and every effort was made by MDHHS to assist the client. *Id.*, p. 8.

At the hearing, Petitioner credibly testified that he was no longer working at Employer and that his last day was 2024. He further testified that he was unable to obtain a copy of his final check because he was locked out of his online account with Employer and no longer had access to his records. Additionally, he was having difficulty obtaining verification from Employer that he no longer worked there. Petitioner testified that he informed MDHHS that he was struggling to obtain the requested verifications.

Based on the record, Petitioner made a reasonable effort to obtain the requested verifications but was unable to do so due to circumstances beyond his control. MDHHS was required to assist Petitioner because he indicated that he was having difficulty obtaining the verifications. No evidence was presented that MDHHS attempted to assist Petitioner or that it extended the deadline for the MA verifications, pursuant to 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 the MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's application for MA and FAP.

### **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. Reprocess Petitioner's 2024 application for FAP and MA, requesting additional verification as necessary, and providing the appropriate assistance;
- 2. Issue supplemental payments to Petitioner for any FAP benefits he was eligible to receive, but did not, based on the 2024 application;
- 3. Provide Petitioner with the most beneficial category of MA coverage that he is eligible to receive based on the 2024 application; and
- 4. Notify Petitioner of its decision(s) in writing.

LJ/pt

Administrative Law Judge

ordon

**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

Gary Leathorn - 74 St Clair County DHHS

220 Fort St.

Port Huron, MI 48060

MDHHS-STCLAIR-HEARINGS@michigan.gov

**Interested Parties** 

BSC2 M Holden B Cabanaw

N Denson-Sogbaka

M. Schaefer EQAD MOAHR

<u>Via-First Class Mail</u>: Petitioner

