



GRETCHEN WHITMER
GOVERNOR

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

MARLON I. BROWN, DPA
DIRECTOR

JACLYN WRIGHT
19630 SUNNYSIDE ST
SAINT CLAIR SHORES, MI 48080

Date Mailed: March 3, 2025
MOAHR Docket No.: 24-013788
Agency No.: [REDACTED]
Petitioner: [REDACTED]

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 February 3, 2025. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Terrel Stevens, Lead Worker.

ISSUE

Did the Department properly determine Petitioner's daughters' Medicaid (MA) eligibility effective December 1, 2024 ongoing?

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 [REDACTED] 2024, the Department received a completed MA redetermination application from Petitioner that included her [REDACTED] year old daughter [REDACTED] (LW) and her [REDACTED] year old daughter [REDACTED] (MW). LW turned [REDACTED] on [REDACTED] 2024. Petitioner reported that she was employed by [REDACTED] (Employer) and that her husband, [REDACTED] (Spouse), was employed with [REDACTED] (Spouse's Employer). (Exhibit A, pp. 7 – 13).
2. On October 30, 2024, the Department sent Petitioner a Verification Checklist (VCL) that requested verification of Petitioner's last 30 days of income be returned by November 12, 2024. No other verifications were requested. (Exhibit A, pp. 14 – 15).
3. On October 30, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) that approved LW and MW for full coverage

MICChild MA effective October 1, 2024 through November 30, 2024, approved LW for full coverage MA effective December 1, 2024 ongoing, and approved MW for MA subject to a \$6,032 deductible effective December 1, 2024 ongoing. The HCCDN stated that both LW's and MW's eligibility was determined based on \$0 income and that MW's income exceeded the income limits for Under Age 19 (U19) MA, MICChild MA, and Plan First Family Planning (PFFP) MA. (Exhibit A, pp. 16 – 18).

4. On November 13, 2024, the Department received a copy of Petitioner's 2023 W2 from her employment with Employer. (Exhibit A, p. 27).
5. On November 15, 2024, the Department sent Petitioner a HCCDN that closed MW's MA effective December 1, 2024 ongoing for failure to return verification of Petitioner's income. (Exhibit A, pp. 28 – 29).
6. On November 22, 2024, the Department received paystubs from Petitioner for pay dates of September 27, 2024 and October 11, 2024. (Exhibit A, pp. 31 – 32).
7. On November 25, 2024, the Department sent Petitioner a VCL that requested verification of Petitioner's checking account and MW's savings account be returned by December 5, 2024. No specific financial institutions were identified on the VCL and the proof requested was a current statement from each bank or a completed Verification of Assets form. There was no request for verifications regarding LW. (Exhibit A, pp. 33 – 34).
8. On December 2, 2024, the Department received account balance statements for Petitioner's checking and savings accounts. The total balance of both accounts was \$ [REDACTED] as of December 2, 2024. (Exhibit A, pp. 35 – 36).
9. On December 13, 2024, the Department received a request for hearing from Petitioner disputing the closure of MW's MA. (Exhibit A, pp. 4 – 6).
10. On December 19, 2024, the Department sent Petitioner a HCCDN that closed MW's and LW's MA effective February 1, 2025 ongoing for excess assets. (Exhibit A, pp. 37 – 38).

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.

Petitioner requested a hearing to dispute closure of MW's MA. On November 15, 2024, the Department closed MW's MA effective December 1, 2024 ongoing due to Petitioner's failure to return verification of her income. Additionally, the Department issued a HCCDN on December 19, 2024, which was subsequent to the Petitioner's request for hearing, that closed MW's and LW's MA cases effective February 1, 2025 ongoing due to excess assets.

As individuals under the age of 19 as of December 1, 2024, both MW and LW were potentially eligible for MICHild, Healthy Kids (U19), or Group 2 Persons Under Age 21 (G2U). BEM 130 (January 2024), p. 1; BEM 131 (January 2022), p. 1; BEM 132 (April 2018), p. 1. MICHild and U19 are Modified Adjusted Gross Income (MAGI)-related programs for children under the age of 19, while G2U is not a MAGI-related program. BEM 130, p. 1; BEM 131, p. 1.

The Department must complete a full review of a client's eligibility for MA annually, including verification of assets if required. BAM 210 (October 2024), pp. 1 – 3; see also BEM 400 (October 2024), p. 1. There is no asset test for MICHild or U19. BEM 130, p. 2; BEM 131, p. 2; BEM 400, p. 3. However, G2U does have an asset test and the asset limit for the G2U group, which includes the child and the child's parents, is \$3,000. BEM 132, pp. 2 – 3, 6 – 7; BEM 211 (October 2023), p. 8; BEM 400, p. 7.

In this case, the evidence established that the Department sent Petitioner a HCCDN on October 30, 2024 (October HCCDN) that approved MW and LW for MICHild MA through November 30, 2025. The October HCCDN also initially approved MW for G2U MA subject to a monthly deductible of \$6,032 effective December 1, 2024 ongoing, and LW for full coverage MA effective December 1, 2024 ongoing.

The Department then sent Petitioner a HCCDN on November 15, 2024 (November HCCDN) that denied MW MA coverage effective December 1, 2024 and stated the determination was based on Petitioner's failure to return verification of her income as requested. However, during the hearing, the Department testified that verification of income had been received and that the November HCCDN should have indicated that MW was denied for excess assets. The Department also testified that according to its records, effective December 1, 2024 MW was approved for MA subject to a deductible of \$6,184, and LW was approved for G2S MA subject to a deductible of \$0. The Department did not introduce additional HCCDNs in support of its testimony or clearly explain a) whether MW did or did not have MA coverage in December 2024, b) how, when, or why MW's MA was changed to G2U MA, c) how it determined MW's deductible amount, if any, or d) if there was a change in LW's MA coverage for December 2024 after the November HCCDN.

Thus, the evidence did not clearly establish what MA coverage, if any, MW or LW had effective December 1, 2024 ongoing, or how the Department determined such MA coverage for either MW or LW. Therefore, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined MW's or LW's MA eligibility effective December 1, 2024.

Additionally, the Department testified that bank statements provided by Petitioner did not satisfy the Department's request as to Petitioner's bank account because they did not match the asset detection report. Because there was a discrepancy between what Petitioner provided and information available to the Department, the Department was required to provide Petitioner with a reasonable opportunity to resolve the discrepancy. BAM 130 (May 2024), p. 9. However, the Department testified that no additional VCL was sent to Petitioner and did not clearly explain why. And, although Petitioner testified that she failed to return verification of MW's savings account as requested, because the Department failed to establish that it acted in accordance with Department policy when it determined MW's MA eligibility, it did not establish that the requested verifications were necessary to determine eligibility. BEM 130, p. 2; BEM 131, p. 2; BEM 400, p. 3

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 determined MW's or LW's MA eligibility effective December 1, 2024.

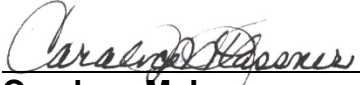
DECISION AND ORDER

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 MW's and LW's eligibility for MA effective December 1, 2024 ongoing;
2. If eligible, provide MW and LW with the most beneficial MA coverage each was eligible to receive effective December 1, 2024 ongoing; and
3. Notify Petitioner of its decision in writing.

CML/mp



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
Vivian Worden
Macomb County DHHS Mt. Clemens
Dist.
44777 Gratiot
Clinton Township, MI 48036
MDHHS-Macomb-12-
Hearings@michigan.gov

Interested Parties
EQAD Hearings
M. Schaefer
BSC4

Via-First Class Mail :

Petitioner
