

**Date Mailed:** May 8, 2025

**Docket No.:** 25-011493

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED] [REDACTED]

### **HEARING DECISION**

On March 18, 2025, Petitioner [REDACTED] [REDACTED] requested a hearing to dispute public assistance benefits. As a result, a hearing was scheduled to be held on May 6, 2025. Public assistance hearings are held 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; 45 CFR 205.10; and Mich Admin Code, R 792.11002.

The parties appeared for the scheduled hearing. Petitioner appeared and represented himself. Respondent Michigan Department of Health and Human Services (Department) had Family Independence Manager Megan Sterk and Eligibility Specialist Kristin Scott appear as its representatives. There were no other participants.

Both parties provided sworn testimony, and two exhibits were admitted into evidence. A 45-page packet of documents provided by the Department was admitted into evidence collectively as Exhibit A, and a 7-page packet of documents provided by Petitioner was admitted into evidence collectively as Exhibit 1.

### **ISSUES**

Did the Department properly close Petitioner's Food Assistance Program (FAP) benefits and Medicaid?

### **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 January [REDACTED] 2025, the Department received a front end eligibility (FEE) investigation report from the Office of Inspector General (OIG).
2. The OIG's FEE investigation report concluded that Petitioner owned a business, [REDACTED] [REDACTED] and the OIG recommended that the Department request verification of the business's income from Petitioner.
3. On February [REDACTED] 2025, the Department mailed a verification checklist to Petitioner to instruct Petitioner to provide information to the Department to help determine his

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eligibility for public assistance. The verification checklist stated, “you have told us that someone in your household has self-employment income, but we do not have enough information regarding the income. Please supply proof of the income including: who has the income, date income started, the type of self-employment income, and how often paid. Proof may include business receipts to date, recent accounting or other business records to date or recent income tax return.” The verification checklist instructed Petitioner to provide the requested proof to the Department by February 24, 2025.

4. On February ■ 2025, Petitioner responded to the Department’s verification checklist by uploading documents to his MI Bridges account. Petitioner uploaded a written statement in which he asserted that ■■■■■ closed in 2022 and did not have any income in 2023 or 2024. Petitioner also uploaded a copy of an internet listing for the business that showed the business was listed as closed.
5. The Department received Petitioner’s documents, reviewed them, and determined that they were insufficient proof of Petitioner’s self-employment income. Accordingly, the Department proceeded to close Petitioner’s FAP benefits and Medicaid.
6. On February ■ 2025, the Department mailed a notice of case action to Petitioner to notify him that his FAP benefits were closing, effective April 1, 2025, because Petitioner did not return verification of his self-employment income. The Department also mailed a health care coverage determination notice to Petitioner to notify him that his Medicaid was closing, effective April 1, 2025, because Petitioner did not return verification of his self-employment income.
7. On March 18, 2025, Petitioner requested a hearing to dispute the Department’s decision to close his FAP benefits and Medicaid.

### **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) 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 administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Medicaid is known as Medical Assistance (MA). The 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.

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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 administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case the Department closed Petitioner's FAP benefits and Medicaid because the Department determined that Petitioner did not provide sufficient verification as instructed. Verification is usually required at application/redetermination and for a reported change affecting eligibility. BAM 130 (May 1, 2024), p. 1. The Department must tell the client what verification is required, how to obtain it, and the due date. *Id.* at 3. The client must obtain required verification, but the local office must assist if the client needs and requests help. *Id.*

The Department instructed Petitioner to provide proof of self-employment income, and Petitioner responded that he did not have any self-employment income. As proof, Petitioner included a written statement in which he asserted that [REDACTED] [REDACTED] closed in 2022, and Petitioner included a copy of an internet listing for the business that showed the business was listed as closed. The verification that Petitioner provided was sufficient because it was responsive to the Department's request. Therefore, the Department should not have determined that the verification that Petitioner provided was insufficient proof of Petitioner's self-employment income.

The Department is required to send a negative action notice when a client refuses to provide verification. BAM 130 at 7-9. Additionally, for FAP benefits, the Department is also required to send a negative action notice when the time period given has lapsed, if the client has not made a reasonable effort to provide the verification. *Id.* at 7. For Medicaid, the Department is also required to send a negative action notice when the time period given has lapsed, if the client has not provided the verification. *Id.* at 9. The Department was not required to send a negative action notice in this case because Petitioner did not refuse to provide verification, and Petitioner provided sufficient verification by the due date. Thus, the Department did not close Petitioner's FAP benefits and Medicaid in accordance with BAM 130. Therefore, the Department did not properly close Petitioner's FAP benefits and Medicaid.

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### **DECISION AND ORDER**

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 did not act in accordance with its policies and the applicable law when it closed Petitioner's FAP benefits and Medicaid.

**IT IS ORDERED** that the Department's decision is **REVERSED**. The Department must reinstate Petitioner's FAP benefits, effective April 1, 2025. The Department must issue a supplement to Petitioner for the FAP benefits that Petitioner would have been eligible for but for the Department's closure. The Department must reinstate Petitioner's Medicaid, effective April 1, 2025. The Department must begin to implement this order within 10 days of the date of mailing of this hearing decision.



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**JEFFREY KEMM**  
**ADMINISTRATIVE LAW JUDGE**

**APPEAL RIGHTS:** Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at [courts.michigan.gov](http://courts.michigan.gov). The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to [MOAHR-BSD-Support@michigan.gov](mailto:MOAHR-BSD-Support@michigan.gov), **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to  
Michigan Office of Administrative Hearings and Rules  
Rehearing/Reconsideration Request  
P.O. Box 30639  
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

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**BSC3HEARINGDECISIONS**

**MOAHR**

**Via First Class Mail:**

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