



Date Mailed: August 26, 2025

Docket No.: 25-026081

Case No.: [REDACTED]

Petitioner: [REDACTED]

[REDACTED]
MI [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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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; 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 via telephone conference on August 14, 2025. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Remy Williams, Eligibility Specialist.

ISSUE

Did MDHHS properly close Petitioner's Medicaid (MA) case for failure to return verification of self-employment income information?

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 MA recipient.
2. Petitioner applied for Child Development and Care (CDC) benefits and reported that she is self-employed.
3. On May 13, 2025, MDHHS issued a Verification Checklist (VCL) to Petitioner, requesting that she submit documentation of her earned, unearned, and self-employment income by May 23, 2025 (Exhibit A, pp. 12-13).
4. On June 4, 2025, MDHHS issued a Healthcare Coverage Determination Notice to Petitioner, informing her that her MA case was closed for failure to return verification of income (Exhibit A, pp. 14-17).
5. On July 3, 2025, MDHHS received Petitioner's timely submitted request for hearing, disputing the closure of her MA case (Exhibit A, pp. 4-10).

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.

Upon reviewing Petitioner's eligibility criteria in the CDC application, MDHHS requested verification of Petitioner's income from self-employment. MDHHS closed Petitioner's MA case for failure to return the requested verifications. Petitioner disputes the closure of her MA case.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2021), p. 1; BEM 137 (June 2020), p. 1. If an individual is unable to receive MA under an SSI-related category, because no individual is aged (65 or older), blind, disabled, or entitled to Medicare or formerly blind or disabled, then MDHHS must review the household's eligibility based on Modified Adjusted Gross Income (MAGI) methodology for MA coverage under the MAGI categories: children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and HMP. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404.

In the CDC application, Petitioner reported that her husband is self-employed. MDHHS must verify countable income at the time of application. BEM 502 (October 2019) p. 6. To request verification of information, MDHHS must inform the client of what verification is required, how to obtain it, and the due date. BAM 130 (January 2023) p. 3. With respect to MA cases, clients are given 10 calendar days to provide the verifications requested by MDHHS. Verifications are considered to be timely if received by the date they are due. MDHHS will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 7-8.

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MAGI-related Medicaid uses adjusted gross income as declared on the federal tax return to determine countable self-employment income. BEM 502, p. 3. The primary source to determine self-employment income for MA cases is an individual federal income tax return, a non-resident alien federal income tax return, or a Schedule C, Profit or Loss From Business, including all attachments. This form is used in conjunction with IRS form 1040. Schedule C is acceptable even if not yet filed with the IRS. A non-tax filer may submit a completed Schedule C to verify expenses without a 1040 federal tax return. A tax-filer may submit a Schedule C along with the accompanying 1040. BEM 502, p. 7. The DHS-431, Self-Employment Statement, is not acceptable verification for Medicaid purposes. BEM 502, p. 8.

In this case, MDHHS properly requested verification of income in order to determine Petitioner's ongoing MA eligibility. At the time of the hearing request, Petitioner had not returned verification of self-employment income or a Schedule C document. Subsequent to the hearing request, Petitioner submitted a Schedule C document with no income information. As MDHHS did not have verification of Petitioner's household self-employment information, they were unable to make a determination regarding Petitioner's MA eligibility. Therefore, MDHHS acted in accordance with policy in closing Petitioner's MA case for failure to return verification of self-employment income.

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 acted in accordance with Department policy when it closed Petitioner's MA case.

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



DANIELLE NUCCIO
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. 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, **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.



Via Electronic Mail:

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Via First Class Mail:

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