

**Date Mailed:** October 28, 2025

**Docket No.:** 25-035087

**Case No.:** [REDACTED]

**Petitioner:** [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Christian Gardocki**

**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 telephone hearing was held via Microsoft Teams on October 20, 2025. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Lutrina Webster, specialist. Erin Linn, regulation Agent with the Office of Inspector General testified on behalf of MDHHS.

**ISSUES**

The first issue is whether MDHHS properly terminated Petitioner’s Food Assistance Program (FAP) eligibility.

The second issue is whether MDHHS properly terminated Petitioner’s Medical Assistance (MA) eligibility.

**FINDINGS OF FACT**

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. As of June 2025, Petitioner was an ongoing recipient of FAP and MA benefits.
2. On June 23, 2025, MDHHS mailed Petitioner New Hire Client Notices concerning employment for Petitioner at [REDACTED] (hereinafter, “Employer1”) and [REDACTED] (hereinafter, “Employer2”).
3. On June 23, 2025, MDHHS mailed Petitioner Wage Match Client Notices concerning past quarterly earnings for Petitioner with Employer1 and Employer2.
4. On July 9, 2025, MDHHS terminated Petitioner’s MA eligibility.
5. On an unspecified date, MDHHS terminated Petitioner’s FAP eligibility.

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6. On August 4, 2025, Petitioner returned both New Hire Client Notices and the three Wage Match Client Notices after writing "N/A" on the first page.
  7. On ██████████ 2025, Petitioner reapplied for FAP benefits.
  8. On August 8, 2025, MDHHS approved Petitioner for FAP benefits.
  9. On August 8, 2025, MDHHS approved Petitioner for MA benefits.
  10. From August 8, 2025, through September 5, 2025, MDHHS did not request verification from Petitioner nor send Petitioner a New Hire Client Notice or Wage Match Client Notice.
  11. On September 5, 2025, MDHHS terminated Petitioner's FAP eligibility beginning October 2025 due to a failure to verify information.
  12. On September 5, 2025, MDHHS terminated Petitioner's MA eligibility beginning October 2025 due to a failure to verify information.
  13. On September 16, 2025, Petitioner requested a hearing to dispute the denial of MSP benefits.

### **CONCLUSIONS OF LAW**

The FAP [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036d. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers the FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031. FAP policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing, in part, to dispute a termination of FAP benefits. Exhibit A, p. 4. A Notice of Case Action dated September 5, 2025, stated that Petitioner failed to verify information. During the hearing, MDHHS specified that Petitioner failed to verify past and/or present employment with Employer1 and/or Employer2. Exhibit A, pp. 40-43.

The state new hires match is a daily data exchange of information collected by the Michigan New Hire Operations Center and obtained through the Office of Child Support. BAM 807 (June 2025) p. 1. State New Hires information is used to determine current income sources for active MDHHS clients. *Id.* A state new hires match is created if there is no earned income reflected in the MDHHS database and the state new hires information indicates that the client has wages. *Id.* MDHHS is to then send the client a New Hire Client Notice. *Id.*, p. 2. If income verification is returned, MDHHS is to update

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the case accordingly. For FAP and MA benefits, if income verifications are not returned by the 10<sup>th</sup> day, case action will need to be initiated to close the case. *Id.*, p. 3.

Concerning wage matches, MDHHS submits client Social Security Numbers to the Department of Labor and Opportunity on a quarterly basis to be cross matched with the work history records submitted by Michigan employers. BAM 802 (June 2025) p. 1. This information is compared to the client's earnings budgeted in MDHHS's database. *Id.* When a discrepancy between wage matches and budgeted wages occurs, MDHHS is to request verification of the wage match earnings by generating a Wage Match Client Notice which gives the client 30 days to return verification. *Id.*, p. 2. For FAP and MA benefits, if income verifications are not returned by the 30<sup>th</sup> day, case action will need to be initiated to close the case. *Id.*, p. 3.

Before an analysis of whether MDHHS properly terminated Petitioner's FAP eligibility may be undertaken, a discussion of Petitioner's past benefit eligibility is needed. As of June 2025, Petitioner received ongoing FAP benefits. In June 2025, MDHHS discovered unbudgeted wages for Petitioner. MDHHS mailed Petitioner two New Hire Client Notices on June 23, 2025, with a due date of July 3, 2025. Exhibit A, pp. 7-12. MDHHS also sent Petitioner three Wage Match Client Notices on June 23, 2025; the due date to return those documents was July 23, 2025. Exhibit A, pp. 13-21. Petitioner did not timely return the documents which presumably led to FAP closure on an unspecified date.<sup>1</sup> This case closure was not disputed by Petitioner.

MDHHS testified that Petitioner reapplied for FAP benefits on [REDACTED] 2025. MDHHS approved Petitioner's application before terminating Petitioner's FAP eligibility on September 5, 2025.

Throughout the hearing, MDHHS implied Petitioner committed fraud by failing to report wages from Employer1 and Employer2.<sup>2</sup> Wage records with Employer1 listed wages for Petitioner from Employer1 from April 10, 2024, through June 18, 2025. Exhibit A, pp. 22-24. MDHHS alleged that Petitioner claimed that wages from Employer1 were the result of identity theft. MDHHS then referred Petitioner's case on June 23, 2025, for a fraud investigation. Exhibit A, p. 6.

A regulation agent with OIG testified that the fraud investigation was assigned to her on June 24, 2025. She also testified that she subpoenaed documents from Employer1, Petitioner's tax records, and Petitioner's bank statements which all supported a conclusion that Petitioner worked for Employer1. The regulation Agent additionally testified that she spoke with Petitioner on September 3, 2025 and asked why Petitioner did not report past wages to MDHHS and Petitioner responded, "It wasn't they business". As a result of her communications with Petitioner, OIG recommended case closure.

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<sup>1</sup> Petitioner returned the documents to MDHHS on 8/4/25, with only "N/A" written on the first page of the documents. Exhibit A, pp. 25-35. Petitioner did not answer any of the questions on the notice such as dates of employment, hours worked, past pay dates, and past pay amounts.

<sup>2</sup> MDHHS also alleged that wages for Petitioner were unreported for three other employers.

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MDHHS's refusal to accept Petitioner's statements claiming identity fraud appeared justified. MDHHS's refusal to accept Petitioner's uncompleted New Hire Client Notices and Wage Match Client Notices also appeared justified. Thus, MDHHS appeared to properly terminate Petitioner's FAP eligibility on some unspecified date before August 8, 2025. However, that benefit termination was not the subject of the present hearing.

Petitioner reapplied for FAP benefits on [REDACTED] 2025, and was approved. Perhaps MDHHS should not have approved Petitioner's application without requesting proof of past wages; however, this is not relevant. MDHHS could have again requested from Petitioner the New Hire Client Notices and Wage Match Client Notices, but no evidence suggested it did. There was also no evidence that MDHHS requested proofs from Petitioner via Verification Checklist (VCL) (see BAM 130). MDHHS seemed to rely solely on Petitioner's past statements as a basis for closure. Petitioner's alleged fraud may be relevant to establishing a claim for over-issued benefits or disqualifying Petitioner from benefits, but neither were the subject of this hearing. The issue at hand is whether MDHHS properly terminated Petitioner's FAP eligibility due to a failure to verify information. Because MDHHS failed to establish that a proper request for information was made after Petitioner's application dated [REDACTED] 2025, MDHHS's closure due to Petitioner's alleged failure to verify was improper. As a remedy, Petitioner is entitled to a reinstatement of FAP benefits.

The MA program is established by Title XIX of the Social Security Act, 42 USC 1396 to 42 USC 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 to 42 CFR 430.25. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10 and MCL 400.103 to MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.* MA policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner also requested a hearing to dispute a termination of MA benefits. Exhibit A, p. 4. The circumstances of MA closure were similar to FAP benefit closure

Petitioner received ongoing MA benefits in June 2025. After MDHHS testified that it sent Petitioner a Health Care Coverage Determination Notice on July 9, 2025, due to Petitioner's failure to verify information. Presumably the information requested was Petitioner's employment information from the two New Hire Client Notices.<sup>3</sup> This closure of MA benefits was not disputed by Petitioner.

MDHHS testified that it sent Petitioner a Health Care Coverage Determination Notice on August 8, 2025 approving Petitioner for MA benefits beginning August 2025. The approval notice for MA benefits suggests that Petitioner reapplied for MA benefits.

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<sup>3</sup> MDHHS initially contended that Petitioner's MA benefits never stopped; Its eventual testimony that a benefit notice of MA closure being sent to Petitioner suggested otherwise.

As in the FAP analysis, MDHHS contended that program closure was proper due to Petitioner's suspicion of fraud. Again, MDHHS's suspicion of fraud is irrelevant. The basis for closure was Petitioner's failure to verify information. MDHHS provided no evidence that it requested information from Petitioner between Petitioner's unspecified MA reapplication date and the case closure date of September 5, 2025. Thus, the termination of Petitioner's MA eligibility was improper. As a remedy, Petitioner is entitled to a reinstatement of MA benefits.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly terminated Petitioner's FAP and MA eligibility. It is ordered that MDHHS commence the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's FAP and MA eligibility beginning October 2025; and
- (2) Issue notice and supplements, if any, in accordance with policy.

The actions taken by MDHHS are **REVERSED**.

  
CHRISTIAN GARDOCKI  
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](https://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.



**Via Electronic Mail:**

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