



Date Mailed: December 12, 2025
Docket No.: 25-038949
Case No.: [REDACTED]
Petitioner: [REDACTED]

[REDACTED] MI [REDACTED]

This is an important legal document. Please have someone translate the document.

هذه وثيقة قانونية مهمة. يرجى أن يكون هناك شخص ما يترجم المستند.

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

Este es un documento legal importante. Por favor, que alguien traduzca el documento.

这是一份重要的法律文件。请让别人翻译文件。

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

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Case No.: [REDACTED]

Petitioner: [REDACTED]

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 December 10, 2025. Petitioner was represented by his Authorized Hearing Representative (AHR) [REDACTED]. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by Michael Butler.

ISSUE

Did the Department properly close Petitioner's Medical Assistance (MA) benefit case?

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 completed a redetermination related to his MA benefit case.
3. On October 17, 2025, the Department sent Petitioner a Health Care Coverage Determination informing him that his MA benefit case was closing effective November 1, 2025, ongoing.
4. The Department reinstated Petitioner's MA benefit case.
5. On October 31, 2025, the Department sent Petitioner a Verification Checklist (VCL) requesting verification of his self-employment income.
6. The Department reinstated the closure of Petitioner's MA benefit case for his failure to submit the requested verification.
7. Petitioner submitted a request for hearing disputing the Department's actions.

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.

In this case, Petitioner was an ongoing MA recipient. The Department closed Petitioner's MA benefit case, but it was subsequently reinstated. The Department sent Petitioner a VCL on October 31, 2025, requesting verification of his self-employment income. Specifically, the Department requested Petitioner's tax return documents. The proofs were due by November 10, 2025.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (April 2017), p. 1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. For MA cases, the Department allows the client 10 calendar days (or other time limit specified in policy) to provide the verification that is required. BAM 130 (April 2017), p. 7. If the client cannot provide the verification despite a reasonable effort, the Department will extend the time limit up to two times. BAM 130, p. 8. The Department sends a negative action notice when: the client indicates a refusal to provide a verification OR the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 7.

The Department counts the income a client receives from an S-Corp or LLC as wages, even if the client is the owner. BEM 501 (October 2025), p. 5. S-Corporations and Limited Liability Companies (LLCs) are not self-employment. BEM 502 (October 2019), p. 1. Wages are the pay an employee receives from another individual organization or S-Corp/LLC. Wages include salaries, tips, commissions, bonuses, severance pay, and flexible benefit funds not used to purchase insurance. BEM 501, p. 6. Verification sources include: (i) check stubs or earnings statement; (ii) Department verification of employment forms, for example MDHHS-38, Verification of Employment; (iii) employer signed statement providing all necessary information; (iv) employer generated work schedule, when pay frequency, pay day and rate of pay are known; (v) Equifax

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Verification Services (formerly known as the Work Number); and (vi) employment services contractors including the one-stop service center, the work participation provider and refugee employment services contractors. BEM 501, pp. 11-12. Federal income tax forms and schedules are allowable for Medicaid determinations. BEM 501, p. 12.

The Department testified that it was mandatory that Petitioner submit tax forms to verify his self-employment income. The Department stated that Petitioner did not submit verification of his tax forms and therefore reinstated the closure of his MA benefit case. The Department conceded that on November 3, 2025, Petitioner submitted a letter stating he began his self-employment in July 2025 and did not have any tax forms as of that date.

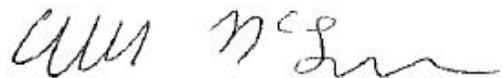
Per policy, tax forms and schedules are *allowable* for MA determinations but are not required. BEM 501, p. 12 (*Emphasis added*). Petitioner notified the Department that he did not have the requisite verifications prior to the VCL due date. The Department could have allowed Petitioner to verify his income by another source dictated by policy. Therefore, the Department did not act in accordance with policy when it closed Petitioner's MA benefit case.

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 Department policy when it closed Petitioner's MA benefit case. 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 Petitioner's MA benefit eligibility as of November 1, 2025, ongoing;
2. If Petitioner is eligible for MA benefits, provide coverage he is entitled to receive; and
3. Notify Petitioner and his AHR of its decision in writing.



**ELLEN MCLEMORE
ADMINISTRATIVE LAW JUDGE**

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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://irs.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:

Respondent

OAKLAND COUNTY DHHS - SOUTHFIELD DIST
25620 W 8 MILE RD
SOUTHFIELD, MI 48033

MDHHS-OAKLAND-6303-HEARINGS@MICHIGAN.GOV

Via First Class Mail:

Petitioner

[REDACTED]
[REDACTED] MI [REDACTED]

Authorized Hearing Rep

[REDACTED]
[REDACTED] MI [REDACTED]