

## **ISSUES**

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

## **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 September 29, 2025, Petitioner submitted a FAP redetermination and reported that Petitioner receives Retirement, Survivors, and Disability Insurance (RSDI) income of REDACTED per month and self-employment income.
2. On October 15, 2025, Petitioner completed an interview with the Department and reported that Petitioner receives the following monthly income:
  - a. REDACTED - RSDI income
  - b. An average of REDACTED – self-employment at REDACTED
  - c. An average of REDACTED – self-employment at REDACTED (teaching golf lessons)
3. On October 14, 2025, the Department mailed a Verification Checklist to Petitioner to obtain additional information from Petitioner to determine Petitioner's eligibility for FAP and MA benefits. The verification checklist instructed Petitioner to provide the Department with proof of Petitioner's self-employment income and the last 30 days of earned and unearned income. The verification checklist instructed Petitioner to provide this proof to the Department by October 24, 2025.
4. On October 15, 2025, the Department mailed a Self-Employment Income and Expense Statement for July, August, and September 2025. The form instructed Petitioner to provide all the requested information on the form and attach business receipts for proof of income and expenses for each of the applicable months.
5. On October 23, 2025, Petitioner submitted a completed Self-Employment Income and Expense Statement for July 2025 along with a blank Self-Employment Income and Expense Statement for August and September 2025. Petitioner also submitted a partial 2024 Form 1040 tax form.
6. On October 27, 2025, the Department mailed a Notice of Case Action to Petitioner to notify Petitioner that Petitioner's FAP benefits would be closed beginning November 1, 2025, failing to submit the requested self-employment documentation timely.
7. On October 27, 2025, the Department mailed a Health Care Coverage Determination Notice to Petitioner to notify Petitioner that Petitioner's MA benefit

would be closed beginning December 1, 2025, failing to submit the requested self-employment documentation timely.

8. On November 17, 2025, Petitioner requested a hearing to dispute the Department's decision.

### **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 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.

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. 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 MA and FAP benefits because the Department determined that Petitioner did not provide sufficient verification of Petitioner's self-employment income 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.*

For MA, the Department must give the client 10 days to provide the requested verification. *Id.* at 7. Verifications are considered timely if received by the due date. *Id.* The Department must send a negative action notice when (1) the client refuses to provide the requested verification or (2) the due date has lapsed. *Id.* For FAP benefits, the Department must give the client 10 days to provide the requested verification. *Id.* at 7. Verifications are considered timely if received by the due date. *Id.* The Department must send a negative action notice when (1) the client refuses to provide the requested verification or (2) the client has failed to make a reasonable effort to provide the verification by the due date. *Id.*

Based on the evidence presented, Petitioner failed to provide the Department with the requested verification of Petitioner's self-employment income. On October 14, 2025, the Department mailed a Verification Checklist to Petitioner to obtain additional information

from Petitioner to determine Petitioner's eligibility for FAP and MA benefits. The verification checklist instructed Petitioner to provide the Department with proof of Petitioner's self-employment income and the last 30 days of earned and unearned income. The verification checklist instructed Petitioner to provide this proof to the Department by October 24, 2025. On October 23, 2025, Petitioner submitted a completed Self-Employment Income and Expense Statement for July 2025 along with a blank Self-Employment Income and Expense Statement for August and September 2025. Petitioner also submitted a partial 2024 Form 1040 tax form. The Department clearly instructed Petitioner what verification is required, how to obtain it, and the due date and Petitioner failed to make a reasonable effort to provide the verifications as incomplete proof were submitted. Therefore, the Department properly closed Petitioner's application for FAP and MA benefits.

### **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 its policies and the applicable law when it closed Petitioner's FAP and MA benefits.

**IT IS ORDERED** the Department's decision is **AFFIRMED**.