

ISSUE

Did MDHHS properly close Petitioner's Child Development and Care (CDC) 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 is an ongoing recipient of CDC benefits.
2. Petitioner's CDC case closed effective November 15, 2025.
3. On **REDACTED**, 2025, Petitioner reapplied for CDC. (Exhibit A, pp. 7-18)
4. On December 22, 2025, MDHHS sent Petitioner a Notice of Case Action approving CDC benefits for four children from December 14, 2025 to January 9, 2027. (Exhibit A, p. 29-37)
5. On January 7, 2026, MDHHS received Petitioner's request for hearing disputing MDHHS's failure to allow her provider to bill for CDC benefits as of November 16, 2025 and her Medicaid (MA) case status. (Exhibit A, pp. 4-6)
6. On January 15, 2026, MDHHS sent Petitioner a Notice of Case Action approving CDC benefits for four children from December 28, 2025 to January 9, 2027. (Exhibit A, p. 41-43)

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.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, 42 USC 601-619, 670-679c, and 1397-1397m-5; the Child Care and Development Block Grant of 1990, PL 101-508, 42 USC 9858 to 9858q; and

the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PL 104-193. The program is implemented by 45 CFR 98.1-99.33. The Department administers the program pursuant to MCL 400.10 and provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001-.5020.

Petitioner requested a hearing concerning her CDC and MA cases. At the hearing, Petitioner stated that her MA issue was resolved, and she wished to proceed with a hearing concerning only her CDC case. Accordingly, Petitioner's hearing request concerning MA is dismissed. The hearing and this Hearing Decision address only Petitioner's CDC case.

The evidence at the hearing established that Petitioner's CDC case closed effective November 15, 2025. Once Petitioner became aware after her provider was unable to bill for CDC services and that her case had closed, Petitioner reapplied for CDC on **REDACTED**, 2025. Petitioner's application was approved for CDC benefits for her four children from December 14, 2025 to January 9, 2027. Afterwards, MDHHS was able to reopen Petitioner's CDC case for the period November 30 to December 13, 2025. At issue at the hearing was Petitioner's CDC benefits for November 15 to November 29, 2025.

MDHHS explained that Petitioner's CDC case closed effective November 15, 2025 because Petitioner was ineligible for benefits because she failed to timely verify requested information.

When verifications are needed from a client to determine eligibility, MDHHS must use a VCL to notify the client of what verifications are needed and the list of acceptable verification sources for each specific eligibility factor. BEM 702 (July 2025), p. 1. The client is responsible for obtaining the requested verifications needed to determine eligibility. BEM 702, p. 1.

Here, MDHHS testified that Petitioner's CDC case closed effective November 15, 2025 due to Petitioner's failure to verify requested information. While MDHHS presented evidence showing that Petitioner's **REDACTED**, 2025 application for CDC benefits was approved for all four children starting December 14, 2025 and Petitioner agreed that the CDC case had reopened to allow her provider to bill for November 30 to December 13, 2025, there was no documentary evidence concerning the reason the case closed effective November 15, 2025 and supporting MDHHS's position that Petitioner was ineligible for CDC between November 15 and 29, 2025. Although MDHHS testified that the case closed due to Petitioner's failure to verify, there was no evidence presented concerning what Petitioner had failed to verify or that MDHHS had sent Petitioner a VCL identifying requested verifications. Petitioner testified that she consistently and timely responded to MDHHS's requests for verification, often providing documents two ways, by mail and online, to ensure MDHHS's receipt. Based on the evidence presented, MDHHS failed to satisfy its burden of showing that it properly closed Petitioner's CDC case. Therefore, MDHHS has not established any reason to preclude Petitioner's childcare provider from billing for CDC benefits from November 15 to 29, 2025.

DECISION AND ORDER

Petitioner dismissed her hearing request concerning MA. Accordingly, Petitioner's MA issue is **DISMISSED**.

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 MDHHS failed to satisfy its burden of showing that it acted in accordance with Department policy when it closed Petitioner's CDC case effective November 15, 2025. Accordingly, MDHHS's CDC decision is **REVERSED**.

MDHHS 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. Reinstate Petitioner's CDC case as of November 15, 2025;
2. Allow Petitioner's CDC provider to bill for CDC services provided from November 15 to November 29, 2025; and
3. If the provider is eligible, pay the provider for CDC benefits properly billed from November 15 to 29, 2025.