

ISSUE

Did the Department properly close Petitioner's Medicaid?

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 January 12, 2026, the Department interviewed Petitioner to redetermine his eligibility for public assistance benefits. During the interview, Petitioner notified the Department that the only income he received was from doing some odd jobs. Petitioner told the Department that he received REDACTED for odd jobs he did over the last month, and Petitioner told the Department that this income was not ongoing.
2. The Department determined that Petitioner needed to verify his income so that the Department could determine his eligibility for public assistance benefits.
3. On January 12, 2026, the Department mailed a verification checklist to Petitioner to obtain additional information about Petitioner's income to determine his eligibility for public assistance benefits. The Department instructed Petitioner to provide the Department with proof of his self-employment income by January 22, 2026. The verification checklist informed Petitioner that his public assistance benefits could be denied, decreased, or cancelled if he did not provide the Department with proof as instructed or contact the Department.
4. Petitioner did not provide the Department with proof of his self-employment income as instructed, and Petitioner did not contact the Department regarding the verification checklist.
5. On February 11, 2026, the Department mailed a health care coverage determination notice to Petitioner to notify him that he was ineligible for Medicaid, effective March 1, 2026, because Petitioner failed to provide verification of his income.
6. Petitioner requested a hearing to dispute the Department's decision to close his Medicaid.

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). Medicaid is known as Medical Assistance (MA). 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, Petitioner requested a hearing to dispute the Department's decision to close his Medicaid. The Department closed Petitioner's Medicaid because the Department determined that Petitioner did not provide verification as instructed. Thus, the issue is whether the Department properly closed Petitioner's Medicaid coverage for not providing verification as instructed.

Verification is usually required by the Department at the time of application/redetermination and for a reported change. BAM 130 (February 1, 2026), p. 1. The Department must tell a client what verification is required, how to obtain it, and the due date. *Id.* at 3. The Department must allow the client 10 calendar days to provide requested verification. *Id.* at 8. The client must obtain the verification, but the local office must assist if the client needs it and asks for help. *Id.* at 3. Verifications are only considered timely if they are received by the due date. *Id.* at 8. The Department must send a Negative Action Notice when the client refuses to provide the verification, or the client has failed to provide the verification by the due date. *Id.* at 8-9.

Petitioner notified the Department that he received REDACTED for odd jobs he did over the last month, and Petitioner told the Department that this income was not ongoing. The Department is required to verify all non-excluded income. BEM 500 (January 1, 2026), p. 13. Excluded income types are very limited. Inconsequential income is a type of income that is excluded. *Id.* at 9. Inconsequential income is income that is unpredictable, irregular, and has no effect on continuing need. *Id.* The Department determined that Petitioner's income was not inconsequential due to the amount involved. The Department properly applied BEM 500 when it determined that Petitioner's income was not inconsequential. Thus, the Department properly determined that Petitioner was receiving non-excluded income.

Based on the evidence presented, the Department properly instructed Petitioner to provide verification of his self-employment income, and Petitioner did not provide the verification as instructed. Since Petitioner did not provide the verification as instructed, the Department was required to send a negative action notice to Petitioner, which meant that the Department was required to notify Petitioner that he was ineligible for Medicaid. Thus, the Department acted in accordance with BAM 130 when it sent the February 11, 2026, health care coverage determination notice to Petitioner. Therefore, The Department's decision is affirmed.

Petitioner also stated in his hearing request that he wanted to dispute his Food Assistance Program (FAP) benefits, but Petitioner asserted at the hearing that he no longer had a dispute regarding his FAP benefits, so I will not address Petitioner's FAP eligibility.

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 Medicaid.

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