

STATE OF MICHIGAN

STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No: 200824968
Issue No: 2021
Case No: [REDACTED]
Hearing Date: July 21, 2009
Lapeer County DHS

ADMINISTRATIVE LAW JUDGE: Janice G. Spodarek

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held.

ISSUE

Did the DHS properly deny claimant's MA application on the grounds the claimant failed to provide necessary information to determine eligibility?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On November 21, 2007, claimant applied for MA and was represented by M [REDACTED]. Somewhere subsequent to the application, [REDACTED] no longer represented claimant. Claimant requested that the hearing proceed.
2. On March 12, 2008, the DHS denied due to insufficient information and failure to provide sufficient information in order to determine eligibility.
3. A November 2007 [REDACTED] verification provided by claimant did not include page two. A [REDACTED] deposit made on November 19, 2007 does not indicate the source.
4. Numerous checks were cashed by claimant's credit union which the department made an inquiry as to the source. Claimant made responses including three potential different sources—an [REDACTED] loan from a brother; a church pig roast; possible pension plan liquidations. Claimant subsequently indicated none of these were correct. Claimant's information was contradictory.

5. Highest and lowest balances for three months at the credit union went from [REDACTED] to \$ [REDACTED] approximately.
6. The asset limit for MA is [REDACTED]
7. The department requested clarification on a number of occasions. The last request was sent on March 11, 2008 to the representative. No response triggered a denial of claimant's application.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Applicable verification policy and procedure to the case herein states in part:

DEPARTMENT POLICY

All Programs

Clients have rights and responsibilities as specified in this item.

The local office must do **all** of the following:

- . Determine eligibility.
- . Calculate the level of benefits.
- . Protect client rights. PAM, Item 105, p. 1.

All Programs

Clients must completely and truthfully answer all questions on forms and in interviews. PAM, Item 105, p. 5.

The client might be unable to answer a question about himself or another person whose circumstances must be known. Allow the client at least 10 days (or other timeframe specified in policy) to obtain the needed information. PAM, Item 105, p. 5.

Refusal to Cooperate Penalties

All Programs

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM, Item 105, p. 5.

Responsibility to Report Changes

All Programs

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

- . after the client is aware of them, or
- . the start date of employment. PAM, Item 105, p. 7.

Verifications

All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

Assisting the Client

All Programs

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or **not** fluent in English. PAM, Item 105, p. 9.

Obtaining Verification

All Programs

Tell the client what verification is required, how to obtain it, and the due date (see "**Timeliness Standards**" in this item).

Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. PAM, Item 130, p. 2.

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed and the client has not made a reasonable effort to provide it. PAM, Item 130, p. 4.

MA Only

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed. PAM, Item 130, p. 4.

VERIFICATION AND COLLATERAL CONTACTS

DEPARTMENT POLICY

All Programs

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements.

Obtain verification when:

- . required by policy. PEM items specify which factors and under what circumstances verification is required.
- . required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP without prior approval from central office.
- . information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party. PAM, Item 130, p. 1.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. PAM, Item 130, p. 1.

Other DHS applicable policy and procedure states that the department is to communicate with a representative when that representative files an application on behalf of a claimant. The department may also communicate with the client but is not required to communicate with the client.

In this case, credible and substantial evidence on the record indicates that the verifications provided by claimant's representative and/or claimant's contained unclear and/or contradictory information. Subsequent discussions (explanation) did not clarify the ambiguous information. Moreover, not all the pages to all the accounts were submitted.

Under the verification policy and procedure cited above, the department is required to obtain verification when information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM Item 130. Under this authority, the department can deny an application. The length of time between claimant's application and denial was four months. Claimant was given an opportunity to clarify. The discrepancies were not resolved.

The State of Michigan can be subject to significant penalties by the federal government where eligibility is not clearly established in an applicant's file. The department was required under its policy as well as federal law to ensure that the verifications in claimant's case clearly show eligibility. As the department was unable to establish the same, and as the department followed its policy and procedure with regards to verification request(s), the department's denial in this case is upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's actions were correct.

Accordingly, the department's actions are UPHELD.

_____/s/_____
Janice G. Spodarek
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: March 16, 2011

Date Mailed: March 16, 2011

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

JGS/db

cc:

