

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimant

Reg. No: 2008-30885
Issue No: 2012
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 2, 2009
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Marlene B. Magyar

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 on June 2, 2009. Claimant did not appear; however, she was assisted by [REDACTED]

ISSUE

Did the department properly process claimant's request for Medicaid (MA) assistance?

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 December 27, 2007, [REDACTED] filed a Facility Admission Notice (MSA-2565-C) by fax, along with a retro-MA application for September, 2007 and all the

documents required to establish their authority as claimant's authorized representative (Department Exhibit #1, pgs 10-15).

(2) This form directs DHS or MDCH to approve or deny MA coverage and provides the appropriate spaces for doing so (Department Exhibit #1, pg 8).

(3) Additionally, claimant's authorized representative requested a copy of the form be returned to them if the department decided to deny eligibility.

(4) The department did not even register this form because a DHS-1171, DHS-4574 or DCH-0373 did not accompany the Facility Admission Notice (MSA-2565-C).

(5) ██████ filed the Facility Admission Notice (MSA-2565-C) to protect claimant's December, 2007 filing month because without it, retro-MA coverage to September, 2007 would have been precluded by the department's policy at PAM Item 115, pg 8 (Department Exhibit #1, pg 1).

(6) When ██████ checked their Medifax cross-reference computer system used by doctors, hospitals and pharmacies to determine the status of an individual's medical coverage, this system verified a pending application existed for claimant in December, 2007.

(7) Subsequently, claimant's relatives assisted her in filing another MA/retro-MA application in January, 2008.

(8) By that time, when the department's application processing worker checked their computer tracking system (CIMS), he found no earlier MA application existed (Department Exhibit #1, pg 4).

(9) ██████ never received a formal written denial notice of any kind regarding the processing of a December, 2007 application (See also Finding of Fact #4 above).

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).

The applicable departmental policy states:

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

A request for assistance may be in person, by mail, telephone or an application can be obtained on the Internet. The requester has the right to receive the appropriate application form:

- DHS-1171, Assistance Application (all programs). The DHS-1171 packet includes an information booklet and the assistance application. A filing form used to preserve the application filing date is available on the last page of the information booklet.
- DHS-4583, Child Development and Care (CDC) Application.
- DCH-0373D, MICHild/Healthy Kids Application (Healthy Kids categories). Brochures are available in English, Spanish, and Arabic on the DCH Web site at www.michigan.gov/mdch. Select MDCH brochures Available for Download from the Quick Links in the right navigation.

- DHS-4574, Medicaid Application (Patient of Nursing Home).
- DHS-4574-B, Assets Declaration (for initial asset assessment).
- DHS-1514, State Emergency Relief Application (PAM Item 110, pg 1).

MA Only

Receipt of a completed MSA-2565-C, Facility Admission Notice, serves as a **request** for MA for all persons except:

- Automatically eligible newborns ([PEM 145](#)).
- Active MA recipients.
- Pending MA or FIP applicants (PAM Item 110, pg 3).

An application **or** filing form, whether faxed, mailed or obtained from the internet, must be registered with the receipt date, **if** it contains at least the following information:

- Name of the applicant.
- Birth date of the applicant (not required FAP).
- Address of the applicant (unless homeless).
- Signature of the applicant/authorized representative (PAM Item 105, pg 1).

The application form must be signed by the client or the individual acting as his authorized representative.

When an assistance application is received in the local office without the applicants signature or without a signed document authorizing someone to act on the applicants behalf you must do the following:

- Register the application as a request if it contains a signature.
- Send a DHS-723, Incomplete Application Notice, to the agency or the individual who completed the application.
- Send a DHS-330, Notice of Missing Information, to the client explaining the need for a valid signature. The signature page of the application may be copied and sent to the agency or individual who filled out the application with the notice.

- Allow 10 days for a response. You cannot deny an application due to incompleteness until 10 calendar days from the date of your initial request in writing to the applicant to complete the application form or supply missing information, or the initial scheduled interview.
- Record the date the application or filing form with the minimum information is received. The application must be registered and disposed of on ASSIST, using the receipt date as the application date.

An application received from an agency is acceptable if it is signed by an individual and is accompanied by written documentation from the client authorizing the agency to act as their authorized representative (PAM Item 110, pg 8).

AUTHORIZED REPRESENTATIVES

All Programs

An **Authorized Representative** (AR) is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf (e.g., to obtain FAP benefits for the group.) An AR is not the same as an Authorized Hearing Representative (AHR) PAM, Item 110, p. 6.

The AR assumes all the responsibilities of a client. See PAM 105. PEM, Item 110, p. 7.

At application and redetermination:

- Thoroughly review all eligibility factors in the case.

Applications and redeterminations must be completed within the standards of promptness. See PAM 115, 210. PAM, Item 105, p. 11.

Document each determination of eligibility or ineligibility on the DHS-1171-C, Eligibility Determination and Certification, and inform the client of the decision. PAM, Item 105, p. 11.

The above-referenced policy directs the department to consider the receipt of a completed Facility Admission Notice (MSA-2565-C) as a request for assistance. In claimant's case, this

filing form contained all the preliminary information PAM Item 105, pg 1 requires for registering it. Once registered, the department has the responsibility to process the application to completion, which includes sending a notice of approval/denial to the client and his/her authorized representative.

In this case, [REDACTED] stood in the client's shoes for application processing purposes, and thus, the local office had the responsibility to notify [REDACTED] of the application's approval or denial. The documentary evidence of record fails to establish this was ever done. Additionally, the department's witness testified no registration date was established, which is why the local office issued no denial notice (See Finding of Fact #4 above). However, he acknowledged the two computer cross-check systems used in this case (Medifax/CIMS) have been known to sometimes provide inconsistent information (See Finding of Fact #6 above).

[REDACTED] did not request a hearing sooner because they were under the reasonable belief that a December, 2007 application existed, thus protecting claimant's right to have an eligibility determination made for the MA-retro month of September, 2007 (when she was hospitalized). As soon as they were advised their belief was mistaken, they promptly filed a timely hearing request seeking reinstatement/reprocessing of the Facility Admission Notice (MSA-2565-C). In short, the credible testimony and documentary evidence presented establishes the department's processing actions were not consistent with the above-referenced policy, and thus, they must be reversed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department erred in processing claimant's request for MA assistance.

Accordingly, the deparatment's action is REVERSED, and this case is returned to the local office for application processing consistent with departmental policy. **SO ORDERED.**

/s/ _____
Marlene B. Magyar
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: June 4, 2009

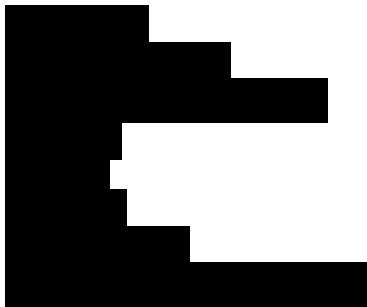
Date Mailed: June 5, 2009

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 receipt 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.

MBM/db

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