

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],
Claimants

Reg. Nos: 2009-16692 2009-16693
Issue No: 2006
Case Nos: [REDACTED]
Load No: [REDACTED]
Hearing Date:
August 19, 2009
Houghton 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 claimants' request for a hearing. After due notice, a telephone hearing was held on August 19, 2009. Claimants did not appear; however, they were represented by [REDACTED]

ISSUE

Did the department properly deny claimants' September 30, 2008 Medicaid (MA) applications due to failure to timely provide requested verification necessary to determine their program 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 September 30, 2008, the department received claimants' MA applications.
- (2) In 1996, claimants purchased [REDACTED] funeral insurance contracts.

(3) At MA application in 2008, the department requested documentation from claimants' then authorized representative (Anderson Associates) to verify these policies had been irrevocably transferred to the funeral home.

(4) Specifically, on October 9, 2008, the department sent claimants' authorized representative a Verification Checklist (DHS-3503) asking for this verification and giving the authorized representative until October 21, 2008 to provide it (Department Exhibit #1, pg 19).

(5) Again on October 15, 2008, the department repeated this request on a second Verification Checklist (DHS-3503) which also expressly states the department's policy prohibits 8As from being considered an acceptable verification source (Department Exhibit #1, pgs 20 and 21).

(6) A second deadline given for providing the department with acceptable, valid verification was November 1, 2008 (Department Exhibit #1, pg 20).

(7) Both these written verification requests to claimants' then authorized representative expressly state:

You must get the proofs to me or call me by the due date below. If you do not your benefits may be denied or cancelled.

(8) In conformance with this warning, the department mailed a denial notice to claimants' authorized representative on November 18, 2008 because no acceptable verification was submitted.

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:

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.

The AR must give his name, address, and title or relationship to the client. To establish the client's eligibility, he must be familiar enough with the circumstances to complete the application, answer interview questions, and collect needed verifications. PAM, Item 110, p. 7.

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.

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.

Timeliness Standards

All Programs (except TMAP)

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. If the client cannot provide the verification despite a reasonable effort, extend the time limit at least once. PAM, Item 130, p. 4.

Michigan law (MCL 328.211) gives individuals the right to contract with funeral homes to pay in advance for a funeral (a “prepaid funeral contract.”). However, PAM Item 805, pg 1, expressly states that this law’s general provisions specifically disallow 8As to be used to certify a life insurance funded funeral as irrevocable.

The evidence of record in this case is clear. The department’s action were completely in accordance with the above-referenced policy and with the law on which that policy is based.

Consequently, the department’s denial of claimants’ MA applications must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department properly denied claimants' September 30, 2008 MA applications

due to failure to timely provide requested verifications necessary to determine their program eligibility.

Accordingly, the department's actions are AFFIRMED.

/s/

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

Date Signed: August 24, 2009

Date Mailed: August 25, 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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