

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: 2009-26988

Issue No: 2006

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

October 20, 2009

Shiawassee 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 October 20, 2009. Claimant personally appeared and testified. He was assisted by [REDACTED]

ISSUE

Did the department properly deny claimant's December 29, 2008 Medicaid (MA)/retro-MA application for failure to verify requested information necessary to determine his 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 December 29, 2008, claimant's authorized representative filed an Assistance Application (DHS-1171) for MA and a Retroactive Medicaid Application (DHS-3243) on claimant's behalf (Department Exhibit #1, pgs 1-3).

(2) The eighth page of this MA application signed by claimant states he had at least one checking account; additionally, the third page of his retro-MA application also signed by him with an attached letter reconfirms the existence of such account(s)(Department Exhibit #1, pgs 1-4).

(3) The day after the department received these applications, they mailed Verification Checklists (DHS-3503s) to claimant and his authorized representative requesting proof of the amount(s) existing in any/all bank accounts in claimant's name (Department Exhibit #1, pg 5).

(4) The checklist states that proof of all account balance(s) was due in the local office by January 13, 2009; additionally, it advises both parties that failure to comply by the due date could result in benefit denial or cancellation (Department Exhibit #1, pg 5).

(5) The day before the first due date, claimant's authorized representative requested an extension to January 23, 2009, which states in relevant part:

...I am still waiting for [claimant's] bank statements. There are no other assets...(Department Exhibit #1, pg 6).

(6) Based on this representation the department granted a second extension, but again, one day before that deadline expired, claimant's authorized representative requested another extension to February 2, 2009 to obtain bank statements from [REDACTED], which the department again granted (Department Exhibit #1, pg 7).

(7) When the department did not receive anything by that deadline they waited another ten days before sending out Application Eligibility Notices (DHS-1150s) to claimant and his authorized representative dated February 12, 2009 (Department Exhibit #1, pg 8).

(8) This denial informs the parties that claimant's December 29, 2008 MA and retro-MA applications were denied because verification of his bank account balance(s) from September 2008 forward were never provided (Department Exhibit #1, pg 8).

(9) On May 14, 2008, the local office in [REDACTED] received a hearing request protesting this denial.

(10) With that hearing request, claimant's authorized representative submitted a letter saying claimant did not have an existing account at [REDACTED] as of January 2009; this was the first time the local office heard this information (Client Exhibit A)(See also Finding of Fact #6 above).

(11) Claimant's hearing was held on October 20, 2009.

(12) At hearing, claimant testified he had assts in an account with a different bank in September 2008 ([REDACTED]), but not at [REDACTED]

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.

CLIENT OR AUTHORIZED REPRESENTATIVE RESPONSIBILITIES

Responsibility to Cooperate

All Programs

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. PAM, Item 105, p. 5.

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.

MA Only

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 up to three times. BAM Item 130, p. 4.

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.

The relevant, material facts of record are clear. Claimant had assets in a [REDACTED] account in September 2008, per his hearing testimony. This testimony is consistent with an MA/retro-MA application they received on claimant’s behalf on December 29, 2008, which also

represents claimant had bank assets during the retro-MA period for which disability status was being sought (9/08).

The department extended the deadline for submission of verification of any/all account balance(s) three times. The first extension went to January 23, 2009, the second went to February 2, 2009, and the last extension went to February 12, 2009. When the local office did not receive any verifications, they sent a denial notice as required by the department's policy. Consequently, no basis in fact or policy warrants a reversal of the department's actions.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department properly processed and denied claimant's December 29, 2008 MA/retro-MA application based on failure to verify requested asset information necessary to determine his program eligibility.

Accordingly, the department's action is AFFIRMED.

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

Date Signed: October 26, 2009

Date Mailed: October 27, 2009

heading

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

cc:

