

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: 2009-10038

Issue No: 2006

[REDACTED]

ADMINISTRATIVE LAW JUDGE: Kandra Robbins

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. This matter was originally assigned to [REDACTED]. This matter was reassigned to [REDACTED] to complete the decision after complete review of the record. After due notice, a telephone hearing was held on October 15, 2009. The Claimant's representative, [REDACTED], appeared on the Claimant's behalf.

ISSUE

Did the Department properly deny Claimant's Medicaid Assistance Application for failure to provide verification?

FINDINGS OF FACT

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

1. [REDACTED] on behalf of the Claimant sent an Application for Assistance to DHS on June 20, 2008 via [REDACTED]. (Department Exhibit 1 pg 27).
2. The Application for Assistance was lost and not processed.
3. On September 13, 2008, [REDACTED] submitted a resoncstructed application as directed by DHS [REDACTED]. (Department Exhibit 1 pg 54).
4. On October 7, 2008, the Department sent a DSH 3503 Verification Checklist to the Claimant and [REDACTED] requesting various documents. (Department Exhibit 1 pg 6 and 7).

5. On October 28, 2008, the Department sent a DHS 1150 Application of Eligibility Notice to Claimant and [REDACTED] denying the application for failure to provide verification documents. (Claimant Exhibit A pg 35).
6. On December 4, 2008, the Department received the Claimant's request for hearing.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901 - .951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1) An opportunity for a hearing shall be granted to an applicant who requests a hearing because of a denial. MAC R 400.903(2).

Clients have the right to contest a Department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The Department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM). Department policy states:

BAM 105 Department Policy

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of necessary forms; see Refusal to Cooperate Penalties in this item. Clients must completely and truthfully answer all questions on forms and in interviews. 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.

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. Specific penalties can be found in the applicable BEM and BAM items.

Verifications All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary; see BAM 130 and BEM 702.

BAM 130 Department Policy

Verification is usually required at application / redetermination **and** for a reported change affecting eligibility or benefit level.

Obtaining Verification

Tell the client what verification is required, how to obtain it, and the due date; Use the DHS-3503, Verification Checklist (VCL), or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

Timeliness of Verifications

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day. 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.

In this case, [REDACTED] submitted an Application for Assistance on behalf of the Claimant. Although the Claimant signed the application March 11, 2008, the application was not sent to the Department until June 20, 2008. The application was sent via [REDACTED]. A staff member D. Harrington, signed to obtain the application package as evidence by the FedEx delivery receipt. (Claimant

Exhibit A pg 42). The Application was never located by DHS staff to be processed. After various communications between [REDACTED] and the Department during the month of August, [REDACTED] submitted a reconstructed application on September 13, 2008 as directed by DHS staff. On October 3, 2008, the Claimant was sent a letter from the DHS staff member R. Cobas indicating that there was no proof that a date stamped application was received by the Department in June. [REDACTED] faxed a copy of the [REDACTED] label and proof of delivery on October 3, 2008.

On October 7, 2008, the DHS staff member R. Cobas sent a DHS 3503 Verification Checklist to the Claimant with a copy to [REDACTED] as testified to at the hearing. (Department Exhibit 1 pgs 6 and 7). The Verification Checklist required various documents as verification for the application. This included personal records, medical records, verification of employment income, and asset records for the period of September 2008 through October 2008. The verification documents were due on October 17, 2008. The Department did not receive any of the requested verification documents. Neither the Claimant nor her representative submitted the required verifications. Neither the Claimant nor her representatives contacted the Department from October 3 through October 28, 2008 to request any assistance with obtaining any of the requested verifications.

In this case, the Department could not verify the Claimant's eligibility for the MA program as there were no verifications of income or assets. The MA program requires income and asset limitations as a condition of eligibility. Since the required documents were not provided to the Department, the Department was unable to determine eligibility. Although [REDACTED] claim not to have received the Verification Checklist, a copy was sent to them as indicated by the testimony of [REDACTED] and the copy in the file that was sent to [REDACTED] Associates. (Department Exhibit 1 pgs 6 and 7). Although [REDACTED] claimed that there was no proof that [REDACTED] actually received the documents, it is not persuasive. He states that normally they receive documents with a typed cc. [REDACTED] testified that it is her habit to write the name in the corner and put it in the envelope and mail it. [REDACTED] testified that she personally labeled the Verification Checklist copy as [REDACTED] and placed it in the envelope and mailed it. The markings on Department Exhibit 1 pg 7 are exactly the same as the markings on Claimant Exhibit A pg 35. Since this exhibit was submitted by [REDACTED], it is clear they received it. Because the handwritten [REDACTED] Associates is exactly the same as [REDACTED] testified, it supports her testimony that she in fact sent the Verification Checklist. Furthermore, it was clearly sent to the Claimant.

Because the Department did not receive the required verification documents requested, the Department was unable to determine the Claimant's eligibility for the MA program. The Department properly denied the Claimant's application.

