

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: 2009-26531  
Issue No: 2006  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
November 16, 2009  
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Robert J. Chavez

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 hearing was held on November 16, 2009.

ISSUE

Was the claimant's Medicaid application properly denied for failure to return proper verifications?

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 5, 2008, claimant's Authorized Representative (AR), [REDACTED], applied for Medicaid on behalf of claimant.
- (2) On January 7, 2009, a DHS-3503, Verification Checklist, was mailed to the claimant in care of her AR.
- (3) This DHS-3503 had a due date of January 17, 2009.

- (4) Claimant did not receive the checklist for at least four days after mailing.
- (5) Sometime before the due date, claimant's AR called claimant's caseworker to request an extension to secure verifications, because the AR was having trouble gathering some of the income records requested.
- (6) Claimant's caseworker was not available, and claimant's AR left a voicemail message.
- (7) On January 23, 2009, claimant's application was denied for a failure to return requested verifications.
- (8) Claimant's AR was able to contact the caseworker after the denial, but was told that the decision was final.
- (9) On March 31, 2009, claimant's AR requested a hearing, alleging that claimant's Medicaid claim had been improperly denied for failure to return verifications.
- (10) Claimant did not appear at the hearing; claimant was represented by her AR,

██████████.

#### 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).

Verifications must be provided when required by policy or when information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. PAM 130.

All assets and income must be verified. Assets include bank accounts and other types of accounts that contain savings. Income includes any benefits or payments received by an individual, including from self-employment, which can be measured in money. PEM 400, PEM 500.

Verifications must be turned in within a certain period of time. PAM 130 states:

“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.”

Furthermore, help must be provided to a claimant in securing verifications if they need and request assistance. PAM 130.

PAM 130 states that a claimant usually has 10 days to provide verifications in Medicaid cases, but the time limit may be extended if the claimant has trouble providing verifications. A negative action notice may only be sent if the claimant refuses to provide verifications, or the time limit had elapsed.

More importantly, PAM 130 provides that the time limit for turning in verifications can be extended at least three times.

Claimant’s AR credibly testified that she called the Department before the negative action date to request an extension. Claimant further testified, again, quite credibly, that while she did not reach her caseworker, she did reach the caseworker’s voice mail, where she left her extension request. The claimant’s caseworker either did not receive this voicemail, or forgot about it when deciding upon the proper case action, which resulted in an application denial.

The undersigned, given the Department’s unfortunate history of failing to answer phone calls, and not following up on voicemail requests, finds this testimony to be sadly credible.

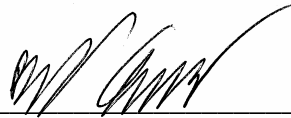
PAM 130 specifically states that upon request, the time limit for submitting verifications must be extended at least three times. Claimant requested an extension; the Department was therefore required to extend the time limit. They did not. Therefore, the Department was in error.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to deny claimant's Medicaid application based upon the failure to provide requested verifications was incorrect.

Accordingly, the Department's decision is, hereby, REVERSED.

The Department is ORDERED to re-register and process claimant's original application of September 5, 2008. Should the Department require additional verifications in order to process claimant's application, these verifications should be secured per the regulations provided in the Program Administrative Manual.



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Robert J. Chavez  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 12/23/09

Date Mailed: 01/06/09

**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.

2009-26531/RJC

RJC/dj

cc:

