

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.: 2009-26993

Issue No.: 2006

Case No.:

Load No.:

Hearing Date:

March 29, 2010

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on March 29, 2010. The Claimant's Personal Representatives [REDACTED] and [REDACTED] appeared on behalf of the Claimant and testified. [REDACTED], ES and [REDACTED] appeared on behalf of the Department.

ISSUE

Was it proper for the Department to deny Claimant's Medicaid application?

FINDINGS OF FACT

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

- (1) Claimant applied for MA on January 26, 2009.
- (2) A verification checklist was sent to Claimant on January 20, 2009 requesting income and asset information.

- (3) A verification checklist was sent to Claimant on February 3, 2009 requesting verification of expenditures including specific check numbers 499, 500, 504, 507, 510, and 512.
- (4) Claimant submitted verifications of expenditures prior to the due date.
- (5) The Department denied Claimant's application on March 9, 2009 because verifications were not received.
- (6) Claimant requested a hearing on May 22, 2009 contesting the denial of her MA application.

#### 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 (formerly known as the Family Independence Agency) 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 Program Reference Manual (PRM). The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the "protected income level" plus medical insurance premiums as set forth in the policy contained in the program reference table. An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However a MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical

expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.)

Clients must cooperate with the local office in determining initial and ongoing eligibility to provide verification. BAM 130, p. 1. The questionable information might be from the client or a third party. Id. The Department can use documents, collateral contacts or home calls to verify information. Id. The client should be allowed 10 calendar days to provide the verification. If the client cannot provide the verification despite a reasonable effort, the time limit to provide should be extended at least once. BAM 130, p.4; BEM 702. If the client refuses to provide the information or has not made a reasonable effort within the specified time period, then policy directs that a negative action be issued. BAM 130, p. 4.

In the present case, Claimant's application was denied because Claimant failed to fully provide the requested income and asset verifications, specifically check numbers: 499, 500, 504, 507, 510, and 512. Claimant's representative testified that he provided records of expenditures prior to the due date. The records of expenditures were submitted at hearing.


The Department was incorrect in denying Claimant's application for noncooperation. The Department failed to prove that Claimant refused to provide the requested information or that she failed to make a reasonable effort.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was incorrect in the denial of MA benefits, and it

is ORDERED that the Department's decision in this regard be and is hereby REVERSED.

Claimant's application shall be reinstated and reprocessed going back to the date of closure.

  
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Aaron McClintic  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: April 12, 2010

Date Mailed: April 15, 2010

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 60 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.

AM/hw

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