

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: 2009-3536  
Issue No: 2009  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 23, 2009  
Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

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 September 23, 2009. Claimant did not appear. Claimant's authorized representative [REDACTED], appeared and testified on claimant's behalf.

ISSUE

Did the department correctly deny claimant's Medicaid (MA) and retro MA application in August, 2008?

FINDINGS OF FACT

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

1. Department received an MA and retro MA application for the claimant on July 14, 2008.

2. On August 7, 2008, a Verification Checklist, DHS-3503, was mailed to the claimant and [REDACTED], claimant's authorized representative, requesting verification of assets and income, with a due date for return of this information being August 17, 2008.

3. On August 15, 2008, [REDACTED] requested an extension for return of requested verification until August 27, 2008.

4. On August 26, 2008 at 10:40 a.m. [REDACTED] faxed a letter to the department with attached verification of employment form, but only 1 page of this form. The letter explained that [REDACTED] were still waiting for page 2 of the form or pay stubs for June and July, 2008 and bank verifications. Another extension was requested until September 6, 2008.

5. On August 26, 2008, department denied claimant's MA and retro MA applications.

6. On October 14, 2008, [REDACTED] Associates requested a hearing on behalf of the claimant.

#### 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).

Departmental policy states:

#### **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.

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. PAM, Item 105, p. 5.

## **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. 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.

The client must obtain required verification, but you must assist if they need and request help. PAM, Item 130, p. 2.

If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If **no** evidence is available, use your best judgment.

**Exception:** Alien information, blindness, disability, incapacity, incapability to declare one's residence and, for FIP only, pregnancy must be verified. Citizenship and identity must be verified for clients claiming U.S. citizenship for applicants and recipients of FIP, SDA and MA. PAM, Item 130, p. 3.

#### **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 up to three times. PAM, 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.

In claimant's case, department extended the first verification deadline from August 17, 2008 to August 27, 2008. Department then however denied claimant's application on

August 26, 2008, prior to the extension time period elapsing, and therefore in violation of the above cited policy. Furthermore, the policy clearly states that the department is required to extend the time limit for providing verifications up to **three** times if the client cannot provide the verification despite a reasonable effort. Letter from [REDACTED] faxed to the department on August 26, 2008, clearly indicates that a reasonable effort was being made to obtain the verifications, as part of the verification was provided, that being the 1<sup>st</sup> page of Verification of Employment form. This letter also explains the efforts being made to obtain the remainder of the verifications and the reasons why they have not been provided.

In summary, department received claimant's application on July 14, 2008, but took no action on this application for about 3 weeks. On August 7, 2008, a Verification Checklist was mailed out with a due date of August 17, 2008. Department did give the claimant one extension, to August 27, 2008, to provide requested verification, but then denied her application on August 26, 2008. Department's representative states that the department does not have to give any extensions, and that the policy statement about giving three extensions is only a suggestion and up to the discretion of individual caseworker. This Administrative Law Judge disagrees and finds that the department violated the policy in denying the application the day before the verifications were due, and also because no requested extensions were given to the claimant even though it was clear that reasonable efforts were being made to obtain the requested verifications.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department incorrectly denied claimant's MA and retro MA application in August, 2008.

Accordingly, department's action is REVERSED. Department shall:

1. Process claimant's disputed July 14, 2008 MA and retro MA application.
2. Allow the claimant and/or her representative [REDACTED] to provide any additional verification needed to determine MA eligibility, by giving them time limits in accordance with department's policy to do so.
3. Notify the claimant and her representative in writing of department's determination.

SO ORDERED.

/s/

\_\_\_\_\_  
Ivona Rairigh  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: October 7, 2009

Date Mailed: October 12, 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 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.

IR [REDACTED]

cc:

[REDACTED]