

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: 2009-443  
Issue No: 2006  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
June 3, 2009  
Livingston County DHS

ADMINISTRATIVE LAW JUDGE: Janice Spodarek

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 three-way telephone conference hearing was held on June 3, 2009. Claimant was represented by [REDACTED]

ISSUE

Did the Department of Human Services (DHS) properly deny claimant's Medical Assistance (MA-P) application on the grounds that claimant failed to comply with the department's verification request?

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 3/31/08, [REDACTED] (hereinafter [REDACTED] and/or claimant) applied for MA. Claimant applied for two months of retro MA.

(2) On 4/15/08, the department issued a Verification Checklist requesting: "Other: Explanation of other deposits into bank account/written explanation of how you support yourself/this household. Statements from friends or relatives who give you money or pay your bills detailing what they give or pay for, how much, how often, etc., signed and dated with their phone number." Exhibit 1. The due date was identified as 4/26/08.

(3) On 4/24/08, claimant requested an extension to 5/6/08. The department granted the extension.

(4) Pursuant to the Hearing Summary, the department indicated that on 4/30/08 it received a written statement from claimant explaining that her husband was ordered to pay by court, and statements from claimant's parents verifying "what they have given her."

(5) On May 6, 2008, claimant's representative sent numerous verifications, including an April 23, 2008 letter from claimant indicating that the court ordered her husband to pay \$500 a month and part of the household bills including car insurance and cell phone, etc. The cover letter of the fax states in part:

I believe the checklist is complete as of this date. If for some reason you need additional information or I have misunderstood your request, please notify me as quickly as possible and grant me an extension so that I may provide the needed information. If you are unable to grant an extension, we request that you assist the client and use the best available information to make a determination. PAM Item 130. Exhibit 6.

(6) On 5/20/09, [REDACTED] sent a communication to the department indicating that information on a system indicated that the application was no longer active. [REDACTED] requested that the application be reinstated. The department failed to include this documentation with the exhibits.

(7) Without further communication from the department to claimant or claimant's representative, the DHS denied claimant's application on 6/4/2008 for the following reason: "For [claimant's first name]--failure to verify spouse's support." Exhibit 2.

(8) The department did not communicate with [REDACTED] and/or the claimant after the numerous verifications, but instead denied the application on 6/4/08.

(9) The Hearing Summary indicates noncooperation notices regarding the Office of Child Support, which the department stipulated was not relevant to the issues herein.

(10) On 8/15/08, claimant filed a hearing request.

### 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).

Verification policy and procedure applicable to the case herein states in part:

#### **DEPARTMENT POLICY**

##### **All Programs**

Clients have rights and responsibilities as specified in this item.

The local office must do **all** of the following:

- . Determine eligibility.
- . Calculate the level of benefits.
- . Protect client rights. PAM, Item 105, p. 1.

##### **All Programs**

Clients must completely and truthfully answer all questions on forms and in interviews. 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.

## **Responsibility to Report Changes**

### **All Programs**

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

- . after the client is aware of them, or
- . the start date of employment. PAM, Item 105, p. 7.

## **Verifications**

### **All Programs**

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

## **Assisting the Client**

### **All Programs**

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or **not** fluent in English. PAM, Item 105, p. 9.

## **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.

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.

## **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.

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

In this case, policy above states that the department is to send a negative action notice when the client indicates a refusal to provide 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 this case, evidence is contrary to the policy cited above. There was no indication of a refusal on claimant's part to provide verification. Verification was provided. However, at the hearing, the department indicated that it did not find the verification adequate. Claimant had communicated to the department that if the verification was not adequate to please advise and further verification could be submitted. The department failed to advise the client that it was not going to accept the verification submitted.

Policy further states that the department has the duty of assisting clients when needed and if they request help. PAM Item 130, p. 2. In this case, the letters submitted on behalf of claimant clearly indicated that if the verifications were not sufficient then the client was requesting assistance as to what verifications would suffice to meet the department's request(s). The department failed to respond at all to the communications and instead denied the application.

For the reasons set forth above, this Administrative Law Judge finds that the department has not complied with its verification policy and procedure and thus, the department's denial is reversed.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's actions were incorrect.

Accordingly, the department's denial is hereby REVERSED.

The department is ORDERED to reinstate the 3/31/08 application, including the two months of retro MA. The department shall issue any verification requests on a Verification Checklist (DHS-3505) and give claimant an opportunity to provide necessary verification. The

department shall follow the policy and procedure in effect with regards to any verification extensions based upon any request submitted by claimant and/or claimant's representative.

/s/ \_\_\_\_\_  
Janice Spodarek  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: July 7, 2009

Date Mailed: July 7, 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 mailing date of the rehearing decision.

JS/cv

cc:

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