

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: 2009-5023
Issue No: 2021; 2014
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
October 6, 2009
Washtenaw 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 October 6, 2009. Claimant personally appeared and testified.

ISSUE

Did the department correctly deny claimant's Medicaid (MA) application in September, 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. On August 19, 2008, department received claimant's application for MA.
2. On September 10, 2008, department computed an MA budget using application statements pertaining to claimant's household income. Claimant indicated on the application

that she was employed 30 hours per week at \$8.50 per hour, and that her husband had gross monthly income of \$2,250.

3. Department determined that claimant could not receive MA-Healthy Kids for her child due to excess income. Claimant's household had excess assets for other MA categories.

4. Claimant's MA application was denied on September 10, 2008. A denial notice was mailed to the claimant, and copy of her information was sent to MIChild.

5. Claimant requested a hearing on October 31, 2008.

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).

Claimant states that she understands department's actions on her MA application, and that the department did use the household income reported on her application in their MA determination. Claimant further states that her husband from whom she has subsequently been divorced told her he was earning more income than he indeed was, and that was the income she cited on her MA application. Departmental policy states:

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.

Verification is **not** required:

- when the client is clearly ineligible, or
- for excluded income and assets **unless** needed to establish the exclusion. PAM, Item 130, p. 1.

The claimant was clearly ineligible for MA for her child due to excess income reported on the MA application. and had excess assets for other MA categories administered by the department also based on the assets reported on her application. Department was therefore not required to ask for verifications of income and assets, but proceeded to complete MA budgets and determined that the claimant was not eligible for this program. Claimant was referred to MICHild, a program administered by Department of Community Health (DCH).

Claimant states that she has never received any type of determination of MICHild eligibility. Department's policy states that if the department determines that a person under age 19 is not eligible for Healthy Kids due to excess income (as it was determined for claimant's child), a referral is to be done to DCH via a DHS-45, DHS to DCH/MICHild/FTW Transmittal.

DHC will then determine MICHild eligibility using the DHS budget and income information used for Healthy Kids eligibility. BEM 655. Department states that a referral to DCH has been done for MICHild. It has now been a year since the department did this referral and a follow up is certainly in order, as the claimant has not received any information from DCH about her application. Department's manual states that questions about MICHild should be referred to 1-888-988-6300 telephone number, and that this call is free. Manual also lists an address for The Administrative Contractor at MICHild, PO Box 30412, Lansing, MI 48909. Claimant may utilize this telephone number and/or address to inquire about the September, 2008 MICHild referral.

DECISION AND ORDER

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

Accordingly, department's action is AFFIRMED, and it is SO ORDERED.

/s/ _____
Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: October 22, 2009

Date Mailed: October 26, 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]