

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 201044328  
Issue No.: 2027  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: August 18, 2010  
Wayne County DHS (55)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

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 August 18, 2010. The claimant appeared and testified. The Claimant's representation [REDACTED] appeared and testified on the Claimant's behalf. [REDACTED], Specialist, and [REDACTED], Supervisor appeared on behalf of the Department.

**ISSUE**

Whether the Department properly closed the Claimant's Medical Assistance (Medicaid) case as of July 1, 2010?

**FINDINGS OF FACT**

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

1. The Claimant was a recipient of Medical Assistance (Medicaid) from the State of Michigan as he was eligible as a recipient of SSI under the Social Security Administration Program.
2. The claimant was a recipient of Social Security SSI benefits. The claimant also received quarterly Medicaid benefits which ended July 1, 2010.
3. The Department sent the Claimant a Notice of Quarterly State SSI Payment Change dated May 24, 2010 which advised the claimant that his quarterly SSI supplement payment would be reduced because he had not continued to receive the regular first of the month SSI check. Exhibit 1

4. The claimant was sent a Notice of Case Action dated June 18, 2010 which closed his Medicaid benefits. The notice of case action did not indicate the reason for termination other than terminated as Medicaid and no provision with regard to bridges policy was referenced in the notice. The notice of case action indicated that the claimant's Medicaid benefits would terminate effective July 1, 2010. Exhibit 2
5. At the hearing the department indicated that it did not take any steps to initiate the closure of the claimant's Medicaid benefits as the change was effectuated by the DHS Central offices in Lansing Michigan.
6. The Department could not articulate the reasons the claimant's Medicaid benefits were closed other than it understood that the Social Security Administration had terminated the claimant's SSI. No documentary evidence of the Social Security Administration's termination of the claimant's benefits was provided by the Department or the claimant.
7. The claimant's representative testified that the notice from the Social Security Administration indicated that the SSI's benefits stopped because of overpayment of benefits.
8. The Department did not evaluate whether the claimant was eligible for other medical programs prior to closing the claimant's Medicaid case. The claimant was not sent a new application for medical benefits in June of 2010.
9. The Claimant requested a hearing on June 21, 2010 protesting the closure of her medical benefits which was received by the department on June 30, 2010.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the 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).

BEM 105 requires that the Department consider eligibility under all other MA categories before terminating benefits under a specific category. BEM 105, page 4. This policy was not followed by the department when it issued its Notice of Case Action which

closed the claimant's Medicaid assistance benefits effective July 1, 2010. See also BEM 150, page 5.

Furthermore, the Notice of Case Action provided by the department was deficient in that it did not state the reasons for the closure of the claimant's Medicaid benefits and failed to cite a specific manual item which it relied on to make the determination and did not cite the specific legal base for an action or the regulation or law itself. BAM 220, page 2.

Based upon the foregoing analysis and law, the undersigned finds that the Department's decision to close the claimant's Medical Assistance Medicaid effective July 1, 2010 was in error.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department's decision to close the Claimant's Medical Assistance case effective July 1, 2010 must be and is REVERSED.

Accordingly, the Department is ordered:

1. The Department is ordered to reinstate the claimant's Medicaid benefits and case effective and retroactive to July 1, 2010, the date of closure.
2. The Department is further ordered to make a determination as to whether the Claimant is eligible for any other medical assistance programs prior to closing the Claimant's Medicaid case if appropriate.
3. The Notice of Case Action did not provide proper notice of the reason(s) for closure and the Department must specifically provide notice of the basis in Department Policy or other law which it relied on or followed in making its determination. Any subsequent Notice of Case Action closing the Claimant's Medicaid case shall cite the basis and policy relied on with specificity.



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Lynn M. Ferris  
Administrative Law Judge  
For Ismael Ahmed, Director  
Department of Human Services

201044328/LMF

Date Signed: 8/19/2010

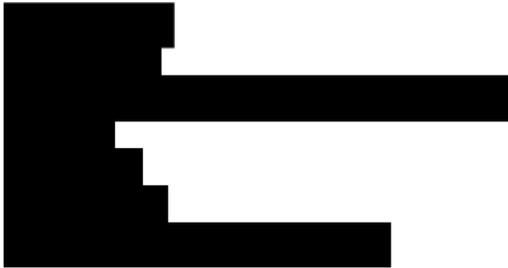
Date Mailed: 8/19/2010

**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 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.

LMF/jlg

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