

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

IN THE MATTER OF:



Reg. No: 2010-47240  
Issue No: 2006  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 22, 2010  
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Jonathan W. Owens

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 hearing was held on September 22, 2010. Claimant's Representative appeared and testified.

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) case for failure to provide verifications?

FINDINGS OF FACT

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

1. December 8, 2009, verification request sent to Claimant requesting information on the DTE stocks. Due date of December 18, 2009.
2. December 28, 2009 to January 4, 2010, the Department made several calls regarding verifications.
3. January 6, 2010, denial notice for failure to verify DTE stocks.
4. December 23, 2009, notarized statement from father indicating he was the owner of the stock. No indication of when this was dropped off to the Department.
5. March 16, 2010, requested a hearing.

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 Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

In the present case, the Claimant's application was denied for failure to provide all requested verifications. The Department requested verification regarding a Detroit Edison (DTE) stock the Claimant listed on his application. The Claimant signed a statement indicating the DTE stock in question was actually his father's stock and he was listed as a minor on the stock. He indicated, in this statement, he had no rights to the stock regarding sale of, value, or redemption. The Department issued a verification checklist on December 8, 2009 requesting exactly what the Claimant indicated he didn't have a right to get.

Relevant policy can be found in BAM Item 130, pp.1-3:

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.

Verification is usually required at application/re-determination and for a reported change affecting eligibility or benefit level.

Obtaining Verification

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 re-determinations, the DHS-1175, MA Determination Notice, to request verification.

Use the DHS-3503C, Verification Checklist for Citizenship/Identity to request documentation of citizenship

or identity for Medicaid determinations.

The client must obtain required verification, but you must assist if they need and request help.

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.

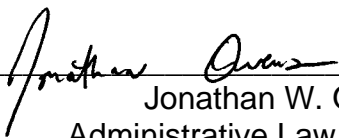
The Department is required to verify assets. As the above policy indicates, the Department is to use the best available information if the Claimant and the Department are unable to obtain the information. Here, the Department requested information that the Claimant signed a statement saying he had no way of getting. The Department appears to have made no effort, other than requesting the information directly from the Claimant, to obtain the value of the stock. No documentation was submitted to demonstrate the Department even attempted to ascertain the value of the stock themselves. It should be noted, the value listed for the stock by the Claimant was \$400 on the application. The Claimant, however, according to his statement, is not privy to the actual current value. The Claimant also provided, at hearing, a notarized statement from his father, the owner of the stock, that the stock in question was not in his possession, and he is attempting to find the stock. He also states he has complete control of the stock and the Claimant can't touch or cash the stock. While this statement was signed on December 23, 2009, it is unclear if the Department was ever given it.

This Administrative Law Judge finds the Department failed to act according to policy by not using the best available information prior to denying the application.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department acted contrary to policy with regards to Claimant's MA application.

Therefore, it is ORDERED that the Department's decision in this regard be and is, hereby, REVERSED. The Department shall re-register the Claimant's December 8, 2009 application and determine eligibility, and if otherwise eligible, grant MA coverage for the requested period.

  
Jonathan W. Owens  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 10/12/10

Date Mailed: 10/13/10

**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.

JWO/dj

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