

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 2010 53134  
Issue No: 2006  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
December 13, 2010  
Macomb County DHS (36)

**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 claimant's request for a hearing. After due notice, a telephone hearing was held on December 13, 2010. The Claimant's authorized representative (AR), [REDACTED] appeared on the Claimant's behalf. Patricia Bailey, Program Manager appeared on behalf of the Department.

ISSUE

Was the Claimant's Medicaid application properly denied for a failure to return verification information?

FINDINGS OF FACT

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

1. The Claimant applied for Medical Assistance (Medicaid) benefits December 14, 2010.
2. A verification checklist was sent to the Claimant's AR with a due date of May 10, 2010. An extension was requested and granted until May 25, 2010. Exhibit 1

3. The verification checklist requested “include husbands income and bank statements” and “paycheck stubs for 11/09.
4. The Claimant’s representative provided the Department verifications on May 24, 2010. Claimant Exhibit 1
5. The Verifications contained all the information requested but did not contain verification of the Claimant’s income but rather included a summary of hours worked.
6. The Claimant’s spouse’s employer returned a verification of employment dated 5/18/10, and indicated that the Claimant’s spouse no longer worked for the employer as of 2/2010. The employer did not complete the income information but did provide the Department with a contact name and phone number. Exhibit 2
7. The Department and the Claimant’s AR communicated by email and at no time did the Department request additional information be provided, clarified or completed by the AR. Exhibit 3
8. The Department denied the Claimant’s application as of December 1, 2009 for failure to provide verification of income. Exhibit 4
9. On June 14, 2010, the Claimant’s AR requested a hearing indicating that the Checklist information was provided to the Department on May 24, 2010 and that no further request for verifications or clarifications on verifications delivered. Exhibit 5

### 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

An application or redetermination is considered incomplete until it contains enough information to determine eligibility. BAM 115. Eligibility is determined through a claimant’s verbal and written statements; however, verification is required to establish

the accuracy of a claimant's verbal and written statements. Verification must be obtained when required by policy, or when information regarding an eligibility factor is incomplete, inconsistent, or contradictory. An application that remains incomplete may be denied. BAM 130. If the claimant cannot provide verification despite a reasonable effort, the time limit is to be extended at least one time. BAM 130. Income amounts can be verified through pay check stubs, a DHS-38, Verification of Employment, or through electronic methods. BEM 501.

With regard to the claimant's Medicaid application, the undersigned notes that the Department did send verification requests to the claimant's authorized representative (AR) and that the AR did return much of the requested information and provided a verification of employment with contact information for the Claimant's spouse. Additionally the AR was in contact with the assigned case worker by email when requesting time extensions. At no time did the Department request further information be provided or clarified by the AR or contact the spouse's employer or the Claimant's employer to seek wage information for November 2009. The Department had collateral contact information and did not use it.

Policy permits several different types of verification, because policy recognizes that not every client will be able to meet the verification requirements in the exact same way. When as here an employer is known by way of verification of employment and the department is in contact with the AR the requested information could have been easily obtained by the department or the AR could have obtained the information. Under these circumstances the Department should not deny the application before attempting further clarification

In the current case, the AR testified quite credibly that they were not asked to provide further clarification and nothing in the record suggests a refusal to cooperate with the Department. The record instead demonstrated a reasonable and good faith effort to comply. The Department may send a notice of case action when there is a refusal to comply and provide a verification. Such was not the case in the instant matter. BAM130 page 6.

Under these circumstances, the application was closed prematurely, rather than pending the case and further investigating. BAM 130 states that if the claimant cannot provide verification despite a reasonable effort, extend the time limit at least one time. Claimant's AR had sent in much but not all the information and demonstrated a reasonable effort at providing verification. However, the Department, instead of further extending the time limit and requesting alternate verification, or clarification instead denied the application. This is prohibited by BAM 130.

When a claimant has made a reasonable attempt at providing verifications, the Department may not simply state that the verifications were inadequate and deny the application. It does not appear that any real exercise of best judgment was made, rather the Department simply denied the application, and as such, the Medicaid application denial was incorrect.

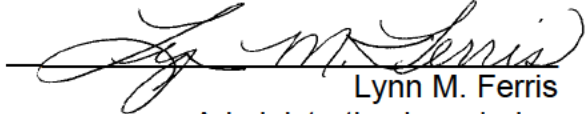
#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department's decision to deny claimant's FAP application was incorrect.

Accordingly, the Department's decision in the above stated matter is, hereby, REVERSED. It is further Ordered:

The Department is ORDERED to reinstate the Claimant's Medicaid application and retroactive Medicaid application retroactive to the date of filing and complete the verification process for any wage verification for November 2009 for the Claimant and her spouse.

If the Claimant is deemed otherwise eligible for benefits after the Department receives further verifications of wage information for November 2009 for the Claimant and her spouse, the Department shall issue a supplement for any Medicaid benefits the Claimant was otherwise entitled to receive retroactive to the date of application.



Lynn M. Ferris  
Administrative Law Judge  
for Duane Berger, Director  
Department of Human Services

Date Signed: 01/21/11

Date Mailed: 01/21/11

**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/dj

cc:

