

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.: 2010-35
Issue No.: 2006
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
November 5, 2009
Oakland County DHS (03)

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

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 November 5, 2009. Claimant was represented by [REDACTED] of [REDACTED].

ISSUE

Did the Department of Human Services (DHS or department) properly deny claimant's application for Medical Assistance (MA) based upon failure to provide adequate verification of income and assets?

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 January 15, 2009, claimant's authorized representative (A.R.) filed an application on claimant's behalf for MA-P benefits seeking coverage retroactive to November of 2008.

- 2) At all times relevant to this matter, claimant resided with her spouse.
- 3) On February 21, 2009, the department sent claimant and her A.R. a DHS-3503, Verification Checklist, requesting verification of income and assets.
- 4) On February 26, 2009, claimant's A.R. provided the department with verification of employment for claimant and claimant's 2008 1099 tax statement.
- 5) On March 2, 2009, claimant's A.R. provided the department with a DHS-20 bank statement.
- 6) On March 18, 2009, the department sent claimant and her A.R. a second DHS-3503 requesting additional verification of income and assets and specifically asked for verification of claimant's spouse's income and assets.
- 7) On March 27, 2009, claimant's A.R. provided the department with claimant's bank statement, a copy of claimant's paycheck, and claimant's 2008 1099 tax statement.
- 8) On April 6, 2009, claimant's A.R. provided the department with a DHS-20 bank statement and asked the department to let the A.R. know "if anything else is needed."
- 9) On April 13, 2009, the department sent claimant's A.R. a third DHS-3503 requesting additional medical information per a Medical Review Team request.
- 10) On June 6, 2009, the department notified claimant and her A.R. that the January 15, 2009, application was denied because claimant had "failed to provide all requested information regarding income and assets for self and spouse."
- 11) At the hearing, the department argued that there were:

- Discrepancies between the application and the verification provided as to claimant's income;
 - Inconsistencies between the level of claimant's income and the reported assets; and
 - No information as to claimant's spouse's income and assets.
- 12) At the hearing, claimant's A.R. argued that the A.R. believed that he had submitted the requested verification, that the department did not call any perceived discrepancies in the verification provided to the A.R.'s attention in order to ask for or afford the A.R. an opportunity to explain the discrepancy, and the last Verification Checklist from the department only asked for medical information so that the A.R. was led to believe that there were no outstanding requests for verification of income or assets.

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).

The following is the policy in effect at the time that the department made its determination:

Verification and Collateral Contacts

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements ...

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. PAM Item 130, Page 1.

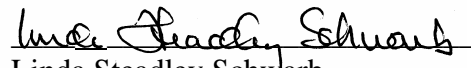
Tell the client what verification is required, how to obtain it, and the due date. PAM Item 130, Page 2.

Before determining eligibility, give the client a reasonable opportunity to resolve any discrepancy between his statements and the information from another source. PAM Item 130, Page 6.

In this matter, the department conscientiously combed through the many documents submitted by claimant's A.R. to verify claimant's income and assets. There may well have been discrepancies in the verification or verification that was incomplete (i.e., DHS-20 bank statements from Chase). The record does not support a finding that the department gave claimant's A.R. an opportunity to respond to or explain the perceived discrepancies. If the department was dissatisfied with the verification that claimant's spouse had no income or assets, the department should have requested specific items of verification to establish whether or not the spouse had income or assets. Further, the last DHS-3503 from the department made no further request for verification of income or assets. It is not surprising that claimant's A.R. believed that it had provided all the requested verification regarding income and assets. Accordingly, the department's action in this matter cannot stand. The department is ordered to initiate reconsideration of the January 15, 2009, application for MA. Claimant's A.R. should be given an opportunity to respond to or explain any discrepancies in the verification. If the department is missing verification, the department should inform claimant's A.R. as to exactly what items of verification it requires.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services improperly denied claimant's application for Medical Assistance based upon failure to provide adequate verification of income or assets. Accordingly, the department's determination in this matter is hereby reversed. The department is ordered to initiate reconsideration of claimant's January 15, 2009, application for Medical Assistance.


Linda Steadley Schwarb
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: February 3, 2010

Date Mailed: February 4, 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.

LSS/pf

cc:

