

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.: 2010-46348
Issue No.: 2006
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: September 23, 2010
DHS County: Wayne (82)

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 September 23, 2010. Claimant was represented by [REDACTED].

ISSUE

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

FINDINGS OF FACT

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

1. DHS employees have an office at [REDACTED] to facilitate MA applications on behalf of [REDACTED] patients. Two advocacy groups serve as authorized representatives (A.R.) for many of Oakwood's patients: [REDACTED] and [REDACTED]. When a DHS worker who is stationed at [REDACTED] has correspondence for either of the A.R. groups, the correspondence is put in a box ("mailbox") designated for [REDACTED] or [REDACTED]. Contents of those boxes are picked up by employees of the respective advocacy groups.
2. On January 13, 2010, claimant's A.R., [REDACTED], filed an application on claimant's behalf for MA benefits. Attached to the application was a copy of an MSA 2565-C, Facility Admission Notice. (Department Exhibit #1.)

3. On January 22, 2010, the department sent claimant's A.R., [REDACTED], a DHS-3503, Verification Checklist, requesting, among other things, "supporting MA documentation for hospital stay." (Department Exhibit #2.)
4. On February 1, 2010, claimant's A.R., [REDACTED], sent the department various items of verification with the statement "Please let me know if anything else is needed." These documents were received by the department on February 2, 2010. (Department Exhibit #3.)
5. On February 1, 2010, the department produced a second Verification Checklist requesting "discharge summary and/or up to date progress notes for [REDACTED] hospital stay." (Department Exhibit #4.) It is unknown whether the document was placed in the U.S. mail or in one of the "Mailboxes" designated for an A.R.
6. Claimant's A.R., [REDACTED], did not receive the second Verification Checklist.
7. On March 15, 2010, the department denied claimant's January 13, 2010, application based on "failure to submit medical documentation to determine eligibility." The denial was addressed to [REDACTED] (the wrong A.R.).
8. On May 20, 2010, claimant's A.R., [REDACTED], requested a hearing on claimant's behalf to protest the department's negative action.

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

Policy in effect at the time of the department's denial is as follows:

VERIFICATION AND COLLATERAL CONTACTS

All Type of Assistance (TOA)

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.

BAM Item 130, p. 1.

All TOA

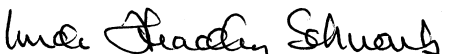
Tell the client what verification is required, how to obtain it, and the due date (see **Timeliness of Verifications** in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

BAM Item 130, p. 2.

In this matter, it is not clear from the record as to where the department's February 1, 2010, Request for Verification ended up. The department did not know whether it had been placed in the U.S. mail or placed in one of the A.R. "mailboxes" for employees of the A.R. groups to pick up. If it was the latter, the department could not say whether the document was placed in the "mailbox" for [REDACTED] or [REDACTED]. The record does indicate that the department's denial notice was addressed to [REDACTED] (the wrong advocacy group). Accordingly, the department's action in this matter cannot stand. The record does not support a finding that the department followed requirements of BAM Item 130 of notifying claimant (and his A.R.) of specific items of verification necessary to establish eligibility for program benefits. Accordingly, the department's action in this matter must be reversed. The department is ordered to initiate a reconsideration of claimant's January 13, 2010, application. The department shall notify claimant and his A.R., [REDACTED], of its determination in writing.

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 verification of eligibility. Accordingly, the department's action in this matter is hereby reversed. The department is ordered to initiate reconsideration of claimant's January 13, 2010, application. The department shall notify claimant and his authorized representative, [REDACTED], of its determination in writing.


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

Date Signed: September 28 2010

Date Mailed: September 29, 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:

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