

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. 201047881
Issue No. 2006
Case No. [REDACTED]
Load No. [REDACTED]
Hearing Date: November 8, 2010
Office: Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 November 8, 2010. [REDACTED] of [REDACTED] appeared and testified as Claimant's authorized hearing representative (AHR). On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's 6/12/09 application for Medical Assistance (MA) benefits due to Claimant's failure to timely return required income verification.

FINDINGS OF FACT

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

1. Claimant's AHR submitted an Assistance Application to DHS on 6/12/09 requesting MA benefits for Claimant.
2. At the time of Claimant's application, Claimant was a married individual.
3. Claimant's Assistance Application indicated that Claimant and his spouse were employed.
4. By 3/2010, Claimant became divorced from his spouse.

5. On 3/29/10, DHS mailed Claimant's AHR a Verification Checklist (Exhibit 2) requesting Claimant's and Claimant's spouse's verification of income.
6. DHS gave Claimant's AHR a due date of 4/8/10 to return the income verifications.
7. Based on Claimant's AHR's request (Exhibit 5 and 6), DHS extended the due date (Exhibits 1 and 3) to verify the income by ten days.
8. Claimant's AHR made reasonable efforts to verify the income of Claimant's former spouse but the former spouse was uncooperative in the process.
9. On 4/28/10, DHS denied Claimant's application for MA benefits due to the failure by Claimant's AHR to timely return income verification concerning Claimant's spouse.
10. On 6/14/10, Claimant's AHR requested a hearing disputing the denial of Claimant's MA benefits application.

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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

Countable income must be verified at application for MA benefits. BEM 500 at 9. Employment income is countable income. BEM 501 at 5. It is found that DHS appropriately requested verification of Claimant's spouse's employment income.

For all programs, DHS must request verifications when required by policy. BAM 130 at 1. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130 at 1. Verification is usually required at application or redetermination. *Id.* If neither the client nor DHS can obtain verification

despite a reasonable effort, DHS is to use the best available information. *Id* at 3. If no evidence is available, DHS is to use their best judgment. *Id*

For MA benefits, clients are given 10 calendar days to provide requested verification. *Id* at 5. If the client cannot provide the verification despite a reasonable effort, the time limit can be extended up to three times. *Id*.

In the present case, DHS requested income verification of Claimant's spouse's income from Claimant's AHR on 3/29/10. Claimant's AHR did not contend that DHS failed to provide appropriate notice or that DHS inappropriately requested verification of Claimant's spouse's income. Claimant's AHR contended that they made reasonable efforts to verify Claimant's spouse's income but were not successful. Claimant's AHR contends that DHS should have evaluated Claimant's MA benefits using the best available information for the income in the absence of the verification. Claimant's AHR contends that the best available information was the rate of pay (\$12.50) and hours (40/week) listed on Claimant's Assistance Application to project his spouse's income. Based on the circumstances involved in the present case, the undersigned is inclined to agree.

Claimant's AHR submitted an Assistance Application on 6/12/09. DHS is to certify program approval or denial for MA benefit applications within 45 days. BAM 115 at 11. In the present case, DHS took over nine months just to request verifications from Claimant. Within the nine month period, Claimant became divorced from his spouse. Not surprisingly, the former spouse was not cooperative in assisting Claimant's AHR with income verifications so that Claimant could pursue MA benefits. Claimant's AHR credibly testified that they made attempts to contact Claimant to obtain the needed income verification but the efforts proved fruitless. It is not known what else Claimant's AHR could have done to obtain the income verification of Claimant's former spouse. It is found that Claimant's AHR exercised their best efforts in verifying Claimant's spouse's income and that DHS should have used the best available information to process Claimant's application for MA benefits. It is further found that the best available information for Claimant's spouse's income was the wages and hours listed in Claimant's Assistance Application.


In defense of DHS, it is difficult to believe that Claimant's AHR was surprised by a request for income verifications. Claimant's AHR is in the business practice of getting DHS applications processed for MA benefits. Claimant's AHR should have known that a request to verify Claimant's spouse's income was forthcoming. Though Claimant's AHR could not have reasonably predicted that the request would come nine months after the application was filed, Claimant's AHR would have certainly known that income verifications would be requested at time of application. DHS regulations do not discern between experienced and inexperienced clients; ultimately, the undersigned is inclined to do the same. Thus, it is found that Claimant's AHR's experience is not a factor in

201047881/CG

whether DHS should have used the best available evidence to verify Claimant's spouse's income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application dated 6/12/09 for MA benefits. It is ordered that DHS reinstate Claimant's 6/12/09 application for MA benefits and to process the application in accordance with DHS regulations. It is further ordered that DHS use the listed income information (40 hours/week and \$12.50/hour) to prospect Claimant's spouse's income. The actions taken by DHS are REVERSED.


Christian Gardocki
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: November 10, 2010

Date Mailed: November 10, 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 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

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