

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.: 201124109  
Issue No.: 2006; 2026  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: April 11, 2011  
DHS County: Macomb

ADMINISTRATIVE LAW JUDGE: [REDACTED]

**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 April 11, 2011. Claimant appeared and testified. The Department of Human Services (Department or DHS) was represented by [REDACTED], Assistance Payments Worker.

**ISSUE**

Was the Department correct in closing Claimant's Medical Savings Program case for failing to cooperate?

Was the Department correct in closing Claimant's Medial Assistance (MA) Case for failing to meet the spend-down amount?

**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 was an ongoing Medical Savings Program and MA recipient.
2. The Department closed Claimant's Medical Savings Program case for failure to return verification.
3. The Department closed Claimant's MA case for failure to meet his spend-down amount.

4. The Department presented no substantiating documentation.
5. Claimant requested a hearing on February 23, 2011, contesting the closure.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in BAM, BEM, and PRM.

Clients must cooperate with the local DHS office in obtaining verification for determining initial and ongoing eligibility. BAM 105, 130. The questionable information might be from the client or a third party. *Id.* The Department can use documents, collateral contacts or home calls to verify information. *Id.* The client should be allowed 10 calendar days to provide the verification. If the client cannot provide the verification despite a reasonable effort, the time limit to provide the information should be extended at least once. BAM 130. If the client refuses to provide the information or has not made a reasonable effort within the specified time period, then policy directs that a negative action be issued. BAM 130.

A deductible is a process which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

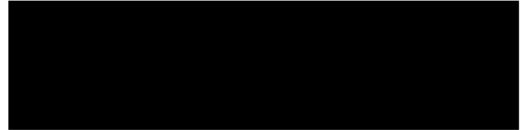
In the present case, the Department failed to submit a verification checklist or other notification given to Claimant to prove that Claimant even received the request for information. This Administrative Law Judge cannot find that Claimant failed to cooperate. Therefore, the Department was incorrect in closing Claimant's Medical Savings Program case. In addition, the Department failed to substantiate Claimant's failure to submit expenses for his deductible. Therefore, the Department was incorrect in closing Claimant's MA case.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department's decision to close Claimant's Medical Savings

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Program and MA cases was incorrect and, therefore, it is ORDERED that the Department's decision is REVERSED. It is further ORDERED that the Department reinstate Claimant's Medical Savings Program and MA cases, effective the date of closing.



Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

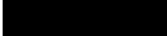

Date Signed: May 19, 2011

Date Mailed: May 19, 2011

**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 receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt of the rehearing decision.

SCB/hw

cc:   
Macomb County DHS (20)/ 1843  
  
Administrative Hearing System