

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



ADMINISTRATIVE LAW JUDGE: Vicki L. Armstrong

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 received on August 8, 2011. After due notice, a telephone hearing was held on October 6, 2011. Claimant's authorized representative, [REDACTED], personally appeared and provided testimony.

ISSUE

Whether the department properly denied Claimant's Medical Assistance (MA) application for failure to timely provide verification of income, assets and checking account?

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 applied for Medicaid and Retro-Medicaid on September 16, 2010 and again on December 29, 2010. (Hearing Summary; Claimant's Exhibit 5-19).
2. According to the Facility Admission Notice and Certificate of Death, Claimant was admitted to the hospital on September 7, 2010 and died from the stroke on September 26, 2010. (Department Exhibits 10-11).
3. Claimant's December 29, 2010 MA and Retro-MA application listed his employer as Grand Ledge Foreign Car in Grand Ledge, working 35 hours a week with a last paycheck of September 30, 2010. (Department Exhibits 12, 14,

4. On March 25, 2011, a Verification Checklist was sent to Claimant requesting at least one of the requested proofs for his checking account, self-employment income and employment income to be submitted to the department by April 4, 2011. The Checklist noted that Claimant had applied in July 2010, at which time he reported [REDACTED] was self-employment, in addition to being employed at [REDACTED] and owing [REDACTED] in tools and equipment. (Department Exhibits 8-9).
5. On April 4, 2011, Claimant's representative submitted a request for an extension to return the requested verifications by April 14, 2011, because they were still attempting to obtain verification of Claimant's income, bank account and value of his tools. (Department Exhibit 4).
6. On April 13, 2011, Claimant's representative submitted a request for an extension to return the requested verifications by April 24, 2011 because they were still attempting to obtain verification of Claimant's income, bank account and value of his tools and Claimant's sister was assisting. (Department Exhibit 5).
7. On April 22, 2011, Claimant's representative submitted a request for an extension to return the requested verifications by May 4, 2011 because they were still attempting to obtain verification of Claimant's income and value of his tools. (Department Exhibit 6).
8. On May 4, 2011, Claimant's representative submitted a copy of Claimant's checking account statement and a request for an extension to return the requested verifications by May 14, 2011 because they were still attempting to obtain verification that Claimant had not been an employee of Grand Ledge Foreign and Domestic Car Service, but had been renting space from Grand Ledge and was in fact a sole proprietorship. Claimant's representative noted in the request that since Claimant was a sole proprietor had did not need to verify the value of his tools. (Department Exhibit 7).
9. A Notice of Case Action was mailed to Claimant on May 9, 2011, denying Claimant's Medicaid application from September 1, 2010 - ongoing, for failure to verify or allow the department to verify necessary information. (Department Exhibits 2-3).
10. Claimant submitted a hearing request on August 8, 2011, protesting the denial of his September 16, 2010 Medicaid application. (Request for a Hearing).

#### CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who

requests a hearing because his claim for assistance is denied. MAC R 400.903(1). The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Department policy states that Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. Clients must take actions within their ability to obtain verifications and the department must assist Clients when necessary. BAM 105.

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or not fluent in English. BAM 105. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130.

The department tells the Client what verification is required, how to obtain it, and the due date through the use of the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice. The Client must obtain the required verification, but the department must assist if they need and request help. BAM 130.

For MA, the Client is allowed 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the Client cannot provide the verification despite a reasonable effort, the time limit is extended up to three times. A Notice of Case Action is sent when the Client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130.

In this case, Claimant's representative requested a hearing based on the denial of Claimant's September 16, 2010 MA and Retro-MA application. However, at the outset of the hearing, Claimant's representative stated the only application at issue was Claimant's December 29, 2010 MA and Retro-MA application. Claimant's representative presented proof that the December 29, 2010 application was faxed to the department on December 29, 2010, and the department admitted receipt of the application, but noted it was not date stamped until January 3, 2011, due to the holidays.

Policy clearly states that if the Client cannot provide the verification despite a reasonable effort, the time limit is extended up to three times. Here, the Verification Checklist had a due date of April 4, 2011. Claimant's representative asked for and

received three extensions on April 4, 2011, April 13, 2011 and April 22, 2011 which led to the expiration date of May 4, 2011.

Claimant's representative argues that on May 4, 2011, the department had enough information from Claimant to make an eligibility determination. The department had received Claimant's checking account statement and the fax dated May 4, 2011 requesting a fourth extension indicated that Claimant was a sole proprietor and had never been employed at Grand Ledge Foreign Car. Claimant's representative stated that because Claimant had been a sole proprietor, the department did not need verification of the value of his tools and equipment and since he was never an employee, there was no verification of employment to return because Claimant did not have income for the month of September 2010.

However, May 4, 2011 was the first time Claimant's representative indicated they had been told that Claimant had never been employed by Grand Ledge Foreign Car and had only been renting space from Grand Ledge Foreign Car because he was a sole proprietor. Claimant's representative provided no proof that Claimant was a sole proprietor, and provided nothing from Grand Ledge Foreign Car showing Claimant had not been an employee. This new information was contrary to Claimant's representation in his MA/Retro-MA application that he had been employed by Grand Ledge Foreign Car as an hourly employee with weekly paydays.

Therefore, this Administrative Law Judge finds that the department acted properly by denying Claimant's application for MA/Retro-MA benefits because Claimant failed to timely provide the requested verifications and there was no credible evidence provided by Grand Ledge Foreign Car that Claimant had never been an employee, no credible evidence Claimant had been a sole proprietor and no evidence of the value of Claimant's tools and equipment.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department established Claimant did not comply with the requested verifications and the department's decision denying Claimant's MA/Retro-MA application is UPHOLD.

It is SO ORDERED.

/s/

Vicki L. Armstrong  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 10/12/11

Date Mailed: 10/12/11

**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 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.

VLA/ds

■ [REDACTED]