STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

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Reg. No: 20119407
Issue No: 2006

Hearing Date: March 30, 2011
Bay County DHS

ADMINISTRATIVE LAW JUDGE: Janice G. Spodarek

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 3-way telephone hearing was held with the department, claimant's authorized hearing representative [hereinafter AHR] and the undersigned Administrative Law Judge. Claimant did not appear.

ISSUE

Did the DHS properly deny claimant's September 30, 2009 MA application?

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 May 7, 2010, the DHS reinstated the claimant's September 30, 2009 and three retro months MA application pursuant to an agreement reached between claimant's AHR and the department. That agreement was not at issue herein.

2.   On May 7, 2010, their local office issued a Verification Checklist to the AHR.

3.   The AHR requested extensions on May 17, 2010 and subsequently again on June 4, 2010. Both were granted.

4.   Among the requests for verification were assets listed on the application including a burial plot and casket which claimant responded "will verify." To date, no verification has been received on the burial plot.

5. The department subsequently learned that claimant had an undisclosed checking account. On June 8, 2010, the department requested verification of the checking account. To date, verification has not been received.

6. On June 21, 2010, the DHS issued a Notice of Denial for failure to provide the requested verifications.

7. On September 2, 2010, claimant's AHR requested a hearing. Claimant's AHR said that the last contact with claimant was on May 20, 2010.

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).

General verification policy and procedure is found in numerous items. Applicable to the case herein, policy states in part:

DEPARTMENT POLICY

All Programs

Clients have rights and responsibilities as specified in this item.

The local office must do **all** of the following:

.   Determine eligibility.
.   Calculate the level of benefits.
.   Protect client rights. PAM, Item 105, p. 1.

All Programs

Clients must completely and truthfully answer all questions on forms and in interviews. PAM, Item 105, p. 5.

The client might be unable to answer a question about himself or another person whose circumstances must be known. Allow the client at least 10 days (or other timeframe specified in policy) to obtain the needed information. PAM, Item 105, p. 5.

Refusal to Cooperate Penalties

All Programs

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. PAM, Item 105, p. 5.

Responsibility to Report Changes

All Programs

This section applies to all groups **except** most FAP groups with earnings.

Clients must report changes in circumstances that potentially affect eligibility or benefit amount. Changes must be reported **within 10 days**:

.   after the client is aware of them, or
        the start date of employment. PAM, Item 105, p. 7.

Verifications

All Programs

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See PAM 130 and PEM 702. PAM, Item 105, p. 8.

Assisting the Client

All Programs

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. PAM, Item 105, p. 9.

Obtaining Verification

All Programs

Tell the client what verification is required, how to obtain it, and the due date (see "**Timeliness Standards**" in this item).

Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. PAM, Item 130, p. 2.

Send a negative action notice when:

. the client indicates refusal to provide a verification, **or**
. the time period given has elapsed and the client has <u>not</u> made a reasonable effort to provide it. PAM, Item 130, p. 4.

MA Only

Send a negative action notice when:

. the client indicates refusal to provide a verification, **or**
. the time period given has elapsed. PAM, Item 130, p. 4.

VERIFICATION AND COLLATERAL CONTACTS

DEPARTMENT POLICY

All Programs

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

Obtain verification when:

. required by policy. PEM items specify which factors and under what circumstances verification is required.

. required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP without prior approval from central office.

. information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party. PAM, Item 130, p. 1.

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

> The client must obtain required verification, but you must assist if they need and request help. PAM, Item 130, p. 2.

In this case, the department satisfied its duty in clearly requesting verifications, and indicating when they were due. The department also followed its policy and procedure in granting L & S's requests for a number of extensions.

Subsequent to claimant's application, the department became aware of an undisclosed checking account. The department had time to clearly indicate that any and all checking accounts which claimant had needed to be verified pursuant to a June 8, 2010 Verification Checklist.

Evidence on the record indicates that to date, claimant did not verify the burial account indicated on the application and did not verify the checking account.

Under the above-cited authority, the department was required to deny claimant's application for failure to verify.

The undersigned Administrative Law Judge has reviewed the credible and substantial evidence on the whole record and finds that the department correctly followed its policy and procedure in denying claimant's MA application for failing to verify and cooperate with the department. The department's denial is upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's actions were correct.

Accordingly, the department's denial action is UPHELD.

_____/s/_____
Janice G. Spodarek
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: April 13, 2011

Date Mailed: April 14, 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 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.

JGS/db

cc: