

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-31240
Issue No.: 2018
Case No.: [REDACTED]
Hearing Date: June 14, 2011
DHS County: Macomb (50-20)

ADMINISTRATIVE LAW JUDGE: Jonathan W. Owens

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 June 14, 2011. claimant appeared and testified.

ISSUE

Did the Department of Human Services (Department) properly process the Claimant's Medical Assistance (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 January 17, 2011, Claimant applied for MA based upon disability.
2. On April 1, 2011, the Department issued a negative action notice closing Claimant's active MA caretaker case.
3. On April 11, 2011, Claimant requested a hearing regarding case closure and the failure to process application for disability based MA.
4. On May 12, 2011, the Department removed the negative action and reinstated an ongoing spend down MA case based upon caretaker relative.

CONCLUSIONS OF LAW

The 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

administers MA-P 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 Bridges Reference Manual (BRM).

In the present case, the Department closed Claimant's MA spend-down case based on her child aging out. However, the Department subsequently determined that Claimant had another child in the home and, therefore, remained eligible for MA caretaker case. The Department reinstated Claimant's MA spend-down case effective May 2011. Claimant, however, had requested MA based upon disability on January 17, 2011. The Department failed to process this application and instead determined she was receiving MA as a caretaker relative and never considered the new application for MA based on disability.

Relevant policy can be found in BEM 105, p.2:

CHOICE OF CATEGORY

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income.

Persons may receive both Medicare Savings Program benefits (BEM 165) and coverage under another MA category; see **Medicare Savings Program** in this item.

However, clients are not expected to know such things as:

- Ineligibility for a FIP grant does not mean MA coverage must end.
- The LIF category is usually the most beneficial category for families because families who become ineligible for LIF may qualify for TMA or Special N/Support.
- The Healthy Kids categories are usually the next most beneficial categories for persons under age 19 and pregnant women.

The most beneficial category may change when a client's circumstances change.

Therefore, you must consider all the MA category options in order for the client's right of choice to be meaningful.

The Department failed to consider all programs and allow Claimant the option of the most beneficial category of MA to be considered. The Department failed to process and make a determination on an application submitted.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department was not acting in compliance with Department policy.

Accordingly, the Department's decision in this regard be and is hereby REVERSED. The Department is ORDERED to process the January 17, 2011, application for MA based upon disability and issue a decision regarding eligibility and if eligible activate coverage back to the date of application.



Jonathan W. Owens
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: June 23, 2011

Date Mailed: June 23, 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.

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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.

JWO/pf

cc:

[REDACTED]