

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2011-41142  
Issue Nos.: 2006, 4003  
Case No.: [REDACTED]  
Hearing Date: August 29, 2011  
DHS County: Wayne (82-15)

**ADMINISTRATIVE LAW JUDGE:** Jan Leventer

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37, which govern the administrative hearing and appeal process, and Claimant's request for a hearing. After due notice, a telephone hearing was held on August 29, 2011, in Detroit, MI. Claimant appeared and testified. [REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

**ISSUE**

Whether DHS denied Medical Assistance (MA or Medicaid) and State Disability Assistance (SDA) benefits to Claimant in accordance with DHS policy and procedure?

**FINDINGS OF FACT**

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

1. At all times pertinent to this matter, Claimant received Vocational Rehabilitation Services from [REDACTED]).
2. In 2010, DHS provided MA and SDA benefits to Claimant.
3. In March 2011, Claimant received a job announcement from [REDACTED].
4. On April 14, 2011, DHS sent Claimant a Medical Determination Verification Checklist, requesting information from Claimant by April 25, 2011.
5. Claimant never received the Checklist.

6. On May 21, 2011, DHS sent Claimant a Notice of Case Action closing his MA and SDA benefits.
7. Upon receipt of the Notice of Case Action, Claimant immediately went to DHS and advised DHS he did not receive the Checklist.
8. On an unknown date, Claimant submitted treatment records from [REDACTED] his health care provider, to DHS.
9. On June 3, 2011, Claimant filed a Request for a Hearing with DHS.

### **CONCLUSIONS OF LAW**

MA was established by Title XIX of the U.S. Social Security Act and is implemented by Title 42 of the U.S. Code of Federal Regulations. DHS administers MA pursuant to MCL 400.10 *et seq.* and MCL 400.105. DHS' policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables (RFT). These are available online at [www.michigan.gov/dhs-manuals](http://www.michigan.gov/dhs-manuals).

SDA provides financial assistance for disabled persons and is established by 2004 Michigan Public Acts (PA) 344. DHS administers the SDA program pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules 400.3151-400.3180. DHS' policies are found in BAM, BEM and RFT. *Id.*

BAM 130, "Verification and Collateral Contacts," is the DHS manual Item containing the procedures for medical verification. In this case, through no fault of his own, Claimant did not receive the Checklist and was not aware that DHS wanted information from him. He first became aware of this when he received the May 21, 2011, Notice of Case Action, and he immediately went to DHS to find out what to do.

BAM 130 states that in MA cases, DHS must provide up to three extensions *of any length whatsoever* to complete the verification process. In this case, DHS should have provided extensions of time to Claimant at the time Claimant advised DHS that he never received the Checklist. DHS failed to do so, and it is decided and determined that the termination of Claimant's MA benefits without providing extensions of time, violates BAM 130.

Claimant also received SDA benefits from DHS, and this cash benefit is a benefit he is eligible for based on his receipt of Vocational Rehabilitation Services from [REDACTED]. However, DHS has an additional verification requirement that Claimant must comply

with for the SDA program. Claimant must verify his eligibility and participation in an [REDACTED] Individual Plan for Employment (IPE). BEM 261, "Disability-SDA."

Here again, when Claimant advised DHS he did not receive its request for MRS verification, DHS failed to provide him an extension of time in which to do so. For the SDA program, DHS must provide ten calendar days for verification, "*or other time limit specified in policy.*" BAM 130, p. 5. In this case, a special circumstance occurred, which is that when DHS received no information from Claimant, it contacted [REDACTED] and was informed that Claimant was not an [REDACTED] client.

At that point, DHS had an obligation to provide Claimant with a third timeline as provided in BAM 130. This is the BAM 130 timeline for resolving discrepancies. This part of BAM 130 requires DHS to give customers "a reasonable opportunity" to resolve discrepancies between their own information and the information DHS receives from another, third source, such as [REDACTED]. As Claimant was receiving SDA from DHS on an ongoing basis, he must have previously provided adequate verification of [REDACTED] participation. When DHS made a phone call to [REDACTED] and was told Claimant was not a participant, this contradictory information was information that Claimant should have been given an opportunity to respond to. As DHS did not provide this opportunity to Claimant, DHS erred in not following the requirements of BAM 130. *Id.*, p. 6.

In conclusion, based on the above findings of fact and conclusions of law, it is decided and concluded that DHS is REVERSED in this case. DHS shall reinstate Claimant's SDA and MA cases and provide extensions of time for Claimant to verify his health care treatment for MA and his participation in MRS for SDA.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, decides and determines that DHS is REVERSED. DHS shall:

1. Reinstate Claimant's MA case;
2. Initiate procedures to provide Claimant with up to three extensions "of any length whatsoever" in order to fulfill the verification requirements of the MA program. BAM 130, p. 5;
3. Initiate procedures to provide Claimant with supplemental retroactive MA benefits necessary to restore him to the benefit level to which he is entitled;
4. Reinstate Claimant's SDA case;

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5. Initiate procedures to provide Claimant with "a reasonable opportunity" to respond to the information received by telephone from [REDACTED] by DHS. BAM 130, p. 6;
6. Initiate procedures to provide Claimant with supplemental retroactive SDA benefits necessary to restore him to the benefit level to which he is entitled.

All steps shall be taken in accordance with DHS policies and procedures.

  
Jan Leventer  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: August 31, 2011

Date Mailed: August 31, 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.

JL/pf

cc:

[REDACTED]