

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 2011-46558
Issue No: 2006, 2014
[REDACTED]
Hearing Date: October 18, 2011
County: Macomb

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 received on July 13, 2011. After due notice, a telephone hearing was held on October 18, 2011. The claimant personally appeared and provided testimony.

ISSUE

Whether the department properly determined the claimant's eligibility for Medical Assistance (MA) benefits?

FINDINGS OF FACT

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

1. The claimant was active for MA-Group 2 (G2C) and Other Healthy Kids (OHK) when the department sent her a Verification Checklist (DHS-3503) and a Verification of Assets (DHS-20) on May 27, 2011. The department requested asset information from bank accounts from October, 2010 and tax statements. The proofs were due June 6, 2011. (Department Exhibits 3-6).
2. On June 6, 2011, the department received the claimant's statements from Chase Bank, but the claimant did not return documents from accounts from [REDACTED]. (Department Exhibits 9 -118).
3. Specifically, the claimant did not send statements from [REDACTED] (account ending in 4924) and failed to send [REDACTED] statements in account ending in 2230 from October, 2010 through February, 2011. (Department Exhibit 119).

4. At the time, the claimant's household income was [REDACTED]. (Department Exhibit 119).
5. The claimant had a group size of 3 (three).
6. On July 6, 2011, the department mailed the claimant a Notice of Case Action (DHS-1605), which closed the MA-OHK benefits for the claimant's two children due to excess income and closed the claimant's MA-G2C benefits for failure to return verifications; both closures were effective August 1, 2011. (Notice of Case Action, Department Exhibits 112-113).
7. On July 13, 2011, the claimant submitted a hearing request protesting the closure of her MA benefits (G2C and OHK). (Request for a Hearing).

CONCLUSIONS OF LAW

The client has the right to request a hearing for any action, failure to act or undue delay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Medical Assistance (MA) program was 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 the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies for the MA programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

The MA program is also referred to as Medicaid. BEM 105. The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105. The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related

categories. For MA only, a client and the client's community spouse have the right to request a hearing on an initial asset assessment only if an application has actually been filed for the client. BAM 105. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. BEM 105.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105.

A fiscal group is established for each person requesting MA (see BEM 211) and budgetable income is determined for each fiscal group member. Since how a client's income must be considered may differ among family members, special rules are used to prorate a person's income among the person's dependents, and themselves. BEM 536.

For an MA recipient, a future month budget must be performed at redetermination and when a change occurs that may affect eligibility or a post-eligibility PPA. BEM 530. For an MA deductible client, a future month budget must be performed at redetermination and when a change occurs that may affect deductible status. BEM 530. Countable income is income remaining after applying MA policy in BEM 500. BEM 530.

Other Healthy Kids (OHK) is a FIP-related Group 1 MA category. BEM 131. MA is available to a person who is under age 19 when net income does not exceed 150% of the poverty level. BEM 131. A person age 16-18 years old with net income between 101-150% of the poverty level is a Healthy Kids Expansion (HKE) recipient. BEM 131. All eligibility factors must be met in the calendar month being tested. BEM 131. However, only certain eligibility factors apply before redetermination. BEM 131.

Income eligibility exists when net income does not exceed 150% of the poverty level. The income limit is in RFT 246. BEM 131. Policy directs the Department to apply MA policies in BEM 500, 531, and 536 to determine net income. BEM 131.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. BAM 130. Clients must take actions within their ability to obtain verifications and DHS staff must assist when necessary. BAM 105. Specifically, the local office must assist clients who ask for help in completing forms or gathering verifications. BAM 105 and BAM 130. The department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. BAM 130. Should the client indicate a refusal to provide a verification or, conversely, if the time period given has elapsed and the client has not made a reasonable effort to provide it, the department may send the client a negative action notice. BAM 130.

Verifications are considered timely if received by the date they are due. BAM 130. For FAP only, if the client contacts the department prior to the due date requesting an extension or assistance in obtaining verifications, you must assist them with the verifications but do not grant an extension. BAM 130.

There are two MA programs at issue here-MA Group 2 and Other Healthy Kids (OHK). The first analysis will address MA Group 2. On May 27, 2011, the department mailed the claimant a Verification Checklist (DHS-3503) and Verification of Assets (DHS-20) seeking tax information and bank statements from October, 2010 to the present, which were due by June 6, 2011. The claimant sent bank records to the department pertaining to one of her bank accounts, but she did not send documents pertaining to all accounts. This Administrative Law Judge finds that the claimant did not fully comply with the department's verification request on a timely basis. The department properly closed the claimant's MA Group 2 benefits.

With regard to MA OHK, the department closed the claimant's benefits due to excess assets. Because the total monthly household income ([REDACTED]) exceeds the 150% of poverty level income limit ([REDACTED]), the department properly determined that claimant was not eligible for MA-OHK due to excess income. See RFT 246. Accordingly, this Administrative Law Judge finds that the department properly determined the claimant's eligibility for MA-OHK.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in determining the claimant's MA eligibility for both MA-G2C and MA-OHK.

The department's MA eligibility determinations are AFFIRMED.

It is SO ORDERED.

/s/
C. Adam Purnell
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: 11/1/11

Date Mailed: 11/1/11

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 60 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.

CAP/ds

