

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2011 46814  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: March 26, 2012  
County: DHS Medicaid Spec Processing (98)

**ADMINISTRATIVE LAW JUDGE:** Lynn M. Ferris

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on March 26, 2012, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], ES.

**ISSUE**

Did the Department properly close the Claimant's Interim Medicaid and impose a deductible spenddown.

**FINDINGS OF FACT**

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

1. Claimant  applied for  was receiving: FIP FAP MA SDA CDC
2. Claimant was required to submit requested verification by July 1, 2011 of the Medicaid Settlement Agreement Supplemental Questionnaire.
3. The Claimant did not receive the Questionnaire due to problems receiving mail.
4. On September 1, 2011, the Department  
 denied Claimant's application  
 closed Claimant's Interim Medicaid case  
 reduced Claimant's benefits

5. On June 21, the Department imposed a deductible on the Claimant of \$328. The Claimant did not receive the notice.
6. The Department closed the Claimant's Medical Assistance because she did not submit any medical expenses for a 3 month period.
7. On July 18, 2011 Claimant filed a hearing request, protesting the  
 denial.    closure.    reduction of Claimant's FAP benefits.

### **CONCLUSIONS OF LAW**

Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and 1997 AACS R 400.3101-3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [formerly known as the Food Stamp (FS) program] is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and 1997 AACS R 400.3001-3015

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. The Department (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 1998-2000 AACS R 400.3151-400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and 1997 AACS R 400.5001-5015.

Additionally, The Claimant credibly testified that she did not know she had ongoing Medicaid at the hearing and that she did not understand that she had a medical spend down deductible to meet to qualify for Medicaid. The Claimant never received a Notice of Case Action advising her of the imposition of a deductible amount of \$328. The fact that the Claimant never received notice of the spend down, is supported by the by the fact that even though the Claimant could have submitted medical expenses, as she had ongoing medical expenses, she did not do so and her medical assistance case closed due to failure to submit any medical expenses within a 3 month period.

The Department did not submit the Notice of Case action it relied upon to impose the deductible as part of its case presentation.

The Claimant further credibly testified that she had repeated trouble receiving mail and received other neighbors' mail. Although a letter properly addressed and mailed is presumed to be received, the Claimant's testimony regarding mail problems and her lack of knowledge that she had a \$328 deductible supports a finding that he did not receive the Notice of Case Action which implemented a deductible spenddown. Stacey v Stankovich, 19 Mich 688 (1969) . The Claimant upon receipt of the Notice of Case Action ordered by the Decision and Order (paragraph 1 set out below) shall have the right to a hearing regarding the deductible amount if any is imposed, as the correctness of any deductible amount is not decided herein.

Based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, the Administrative Law Judge concludes that the Department

properly  improperly

closed Claimant's case

denied Claimant's application

reduced Claimant's benefits

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly  did not act properly.

Accordingly, the Department's decision is  AFFIRMED  REVERSED for the reasons stated on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. The Department must initiate reopening and reprocessing the Claimant's, spend down case retroactive to the date of opening and advise the Claimant by Notice of Case Action of the result of the Department's eligibility determination regarding her Medical Assistance as required by Department policy.

2. If the Claimant does not receive the Notice of Case within 10 days after the receipt of this Decision, the Claimant shall be required to call her caseworker, Cynthia Salazar, at 1 (616) 575-4582 to advise her that she did not receive the Notice of Case Action.



Lynn M. Ferris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 30, 2012

Date Mailed: March 30, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases).

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail to:

Michigan Administrative hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

LMF/hw

201146814/LMF

cc:

