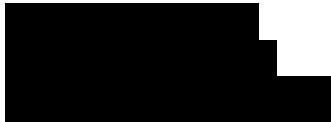


STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 20117778  
Issue No: 2021  
Case No: [REDACTED]  
Hearing Date: March 9, 2011  
Delta County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on November 17, 2010. After due notice, a telephone hearing was held on Wednesday, March 9, 2011.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA) eligibility?

**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 applied for Medical Assistance (MA) on April 15, 2010, with retroactive coverage to January of 2010.
2. The Department requested that the Claimant provide verification of her assets and income.
3. On May 4, 2010, the Claimant provided the Department with payroll records and a portion of a life insurance policy.
4. On September 21, 2010, the Department denied the Claimant's application for Medical Assistance (MA) for failure to provide information necessary to determine her eligibility to receive benefits.

5. The Department received the Claimant's request for a hearing on November 17, 2010, protesting the denial of her Medical Assistance (MA) application.

### **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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. BAM 105, p. 5. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, p. 1. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130, p. 1. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130, p. 1. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. BAM 130, p. 2. When documentation is not available, or clarification is needed, collateral contact may be necessary. BAM 130.

In this case, the Claimant applied for Medical Assistance (MA) on April 15, 2010, with retroactive coverage to January of 2010. The Department requested that the Claimant provide verification of her assets and income, and extended the deadline for the Claimant to provide verification at least three times. On September 21, 2010, the Department denied the Claimant's application for Medical Assistance (MA) for failure to verify her assets.

The Department considers the following types of assets when determining eligibility for the Medical Assistance (MA) program:

- Cash (which includes savings and checking accounts).
- Investments.
- Retirement Plans.
- Trusts. BEM 400.

An asset must be available to be countable. Available means that someone in the asset group has the legal right to use or dispose of the asset. BEM 400. The value of these plans is the amount of money the person can currently withdraw from the plan. The Department will deduct any early withdrawal penalty, but not the amount of any taxes due. BEM 400. The value of a 401(k) account is the amount of money the person can currently withdraw from the plan less any early withdrawal penalty, but not the amount of any taxes due. BEM 400.

In this case, the Claimant's 401(k) account is not an available asset because she is not eligible to make withdrawals or to close the account. The Claimant did take a loan from the account, but Department policy does not treat these funds as income. Furthermore, funds that are not considered countable income do not need to be verified.

The Department requested that the Claimant verify the value of her assets, including the value of any stock owned by the Claimant. The Department received verification documents from the Claimant, which includes a section describing stock price and market value.

The verification documents were provided to the Department by the Claimant on May 4, 2010. The portion which includes stock prices is a portion of an insurance policy. While the document does include information about stock values, the document was not intended to report an asset held by the Claimant. A cover letter attached to the Claimant's verification documents indicates that he was submitting verification of a life insurance policy.

The Department did not offer any evidence that the Claimant reported stock as an asset on her application for assistance.

The Department requested that the Claimant verify her income. On May 4, 2010, the Claimant provided the Department with copies of her payroll records. These records cover the pay periods January 11, 2010, to January 22, 2010, and January 25, 2010, to February 5, 2010, and March 8, 2010, to March 19, 2010. The Department considered these pay records to be an incomplete record of the Claimant's earned income because they include gaps in the Claimant's work history. The Department's representative testified that the Claimant's caseworker had no way of knowing whether the Claimant had working during the periods not covered by her verification documents.

The Claimant's payroll documents do not include any information for the period of February 5, 2010, through March 8, 2010. The Claimant argued that these records are complete, and any gaps in these employment records correspond to periods in which she did not work any hours.

The client must obtain verification necessary to determine eligibility, but the Department must assist the client if they need and request help. BAM 130. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department will use the best available information, and if no evidence is available, the Department

will use its best judgment. BAM 130. The Department will allow a client 10 calendar days to provide verification and if the client cannot provide the verification despite a reasonable effort, the Department will extend the time limit up to three times. BAM 130. The Department will send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130.

The Claimant had a duty to provide the Department with information to establish her eligibility to receive benefits. It is the Department's policy that applications for Medical Assistance will not be denied for failure to verify unless the applicant refused to provide verification, or the time period given has elapsed. The Department's policy in Bridges Administrative Manual Item 130 establishes a separate standard for Medical Assistance (MA) applications than for income verification associated with other benefit programs, where benefits will not be terminated unless the applicant fails to make a reasonable attempt to provide the verification.

In this case, the Claimant provided the Department with payroll records as verification of her earned income. These payroll records leave gaps in the Claimant's work history. This Administrative Law Judge finds that the Claimant did not refuse to provide verification of her earned income, and that she made a reasonable effort to provide the verification.

However, the documents the Claimant supplied as verification of her income are incomplete. These documents do not verify whether the Claimant worked from February 5, 2010, through March 8, 2010, whether she received paid leave, or whether her employer provided her with some other form of compensation. The Claimant's records show that the Claimant worked for four hours between March 8, 2010, and March 19, 2010, but that her employer paid her for the whole day. The Claimant did not provide documentation showing that she had received no pay during the gaps in her records. Therefore, the Claimant failed to provide verification of her earned income before the due date.

This Administrative Law Judge finds that the Claimant failed to provide sufficient verification of her earned income before the due date, and that the Department has established that it properly denied the Claimant's application for Medical Assistance for failure to provide information necessary to determine her eligibility to receive benefits.

### **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 Medical Assistance (MA) eligibility.

The Department's Medical Assistance (MA) eligibility determination is AFFIRMED. It is SO ORDERED.

/s/

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Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: March 31, 2011

Date Mailed: March 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 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.

KS/vc

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