

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201237589  
Issue No: 2006  
Case No: [REDACTED]  
Hearing Date: May 10, 2012  
Grand Traverse County DHS

**ADMINISTRATIVE LAW JUDGE:** Christopher S. Saunders

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was held on May 10, 2012. Claimant's authorized representative; [REDACTED] personally appeared and provided testimony as well as [REDACTED].

**ISSUE**

Whether the department properly denied the claimant's Medical Assistance (MA) application for failure to submit the requested verifications?

**FINDINGS OF FACT**

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

1. Claimant submitted an application for Medical Assistance (MA) benefits on August 16, 2011. (Department Exhibit 1).
2. The claimant was sent a verification checklist (DHS 3503) on August 18, 2011, requesting several verifications due back by August 29, 2011. (Department Exhibit 2).
3. The department sent the claimant a second verification checklist on January 4, 2012, requesting verification of the sale of the claimant's mobile home by January 14, 2012).
4. The department sent the claimant a notice of case action (DHS 1605) on February 16, 2012, denying the claimant's MA application for failure to submit the requested verifications. (Department Exhibit 4).

5. The claimant filed a hearing request on February 22, 2012, protesting the denial of the application.

### **CONCLUSIONS OF LAW**

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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) and the Program Reference Manual (PRM).

Department policy states Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM, Item 105, p. 5. Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See BAM 130 and BEM 702. BAM, Item 105, p. 8.

In relation to a claimant's responsibilities in obtaining the verifications needed for the department to make a determination, policy states as follows:

#### **CLIENT OR AUTHORIZED REPRESENTATIVE RESPONSIBILITIES**

##### **Responsibility to Cooperate**

##### **All Programs**

**Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of the necessary forms. BAM 105.**

##### **Refusal to Cooperate Penalties**

### **All Programs**

Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM 105.

### **Verifications**

#### **All Programs**

Clients must take actions within their ability to obtain verifications. DHS staff must assist when necessary. See BAM 130 and BEM 702. BAM 105.

### **Assisting the Client**

#### **All Programs**

The local office must assist clients who ask for help in completing forms (including the DCH-0733-D) or gathering verifications. Particular sensitivity must be shown to clients who are illiterate, disabled or **not** fluent in English. BAM 105.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. BAM 130.

### **Obtaining Verification**

#### **All Programs**

Tell the client what verification is required, how to obtain it, and the due date (see "**Timeliness Standards**" in this item). Use the DHS-3503, Verification Checklist, or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification. BAM 130.

The client must obtain required verification, but you must assist if they need and request help.

If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If **no** evidence is available, use your best judgment. BAM 130.

## **Timeliness Standards**

### **FIP, SDA, CDC, FAP**

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. BAM 130.

**Exception:** For CDC only, if the client cannot provide the verification despite a reasonable effort, extend the time limit at least once.

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email), the date of the transmission is the receipt date. Verifications that are submitted after the close of business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.

Send a negative action notice when:

- . the client indicates refusal to provide a verification, **or**
- . the time period given has elapsed and the client has **not** made a reasonable effort to provide it. BAM 130.

With respect to verifications regarding mobile homes, policy directs that verification for mobile homes is to be obtained in the same manner as verification for real property. BEM 400. Policy states as follows:

### **Real Property and Mobile Home Value FIP, SDA, RAPC, SSI-Related MA and FAP**

To determine the fair market value of real property and mobile homes use:

- Deed, mortgage, purchase agreement or contract.
- State Equalized Value (SEV) on current property tax records multiplied by two.
- Statement of real estate agent or financial institution.
- Attorney or court records.
- County records. BEM 400.

In the case at hand, the department contends that the claimant did not provide the requested verification regarding the value of his mobile home that was sold prior to the submission of the application. At the hearing, the claimant's representative testified that he had submitted a written statement, signed by himself as the seller, signed by the purchaser, showing the purchase price and the date of sale. The claimant was not able

to produce an SEV value, because the mobile home has no SEV. The claimant owned the mobile home but rented the land that it was located on. Accordingly, there would also be no deed or mortgage. [REDACTED] also testified that he was not able to produce a title to the mobile home showing a change in ownership because the purchaser had not registered the title with the state.

The department representative testified that the written statement referred to by [REDACTED] was in the department's file but that it did not have a date stamp on it. She confirmed that the statement showed the purchase price, the date purchased, and was signed by both the seller and the purchaser. The department representative testified that she did not know if this document was considered in determining if the claimant had supplied the requested verifications. Based on the information provided, it appears that the information contained on this paper would be sufficient to qualify as a purchase agreement. Therefore, this document should have been used as verification of the purchase of the mobile home.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department improperly denied the claimant's MA application for failure to submit the requested verifications.

Accordingly, the department's actions are **REVERSED**.

It is HEREBY ORDERED that the department shall initiate a re-determination of the claimant's MA application of August 18, 2011, allowing the purchase agreement on file to serve as verification of the sale of the mobile home. If the claimant is found to be otherwise eligible, the department instate benefits and issue any past due benefits that may be due and owing.

/s/\_\_\_\_\_

Christopher S. Saunders  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: May 17, 2012

Date Mailed: May 18, 2012

**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 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.

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