

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201246655
Issue No.: 2006
Case No.: [REDACTED]
Hearing Date: June 11, 2012
County: Wayne DHS (17)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on June 11, 2012 from Detroit, Michigan. Participants included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly terminated Claimant's Medical Assistance (MA) benefit eligibility due to a failure to submit income information.

FINDINGS OF FACT

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

1. Claimant was an ongoing MA benefit recipient.
2. On 1/5/12, DHS mailed Claimant a Verification Checklist (VCL) (Exhibit 1) requesting 30 days of income verification.
3. The VCL gave Claimant until 1/17/12 to submit the requested income verification.
4. On 1/23/12, DHS initiated termination of Claimant's MA benefit eligibility due to an alleged failure by Claimant to verify income (see Exhibit 3).
5. On 2/3/12, Claimant requested a hearing to dispute the MA benefit termination.

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). DHS 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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

It is known that Claimant requested a hearing on a hearing request which specifically cited a DHS case action terminating MA benefit eligibility for Claimant's spouse. DHS stated that the termination was based on Claimant's failure to verify income. DHS provided testimony that the verification request was spurred by Claimant's report that his employment income was less than what DHS budgeted.

For MA benefits, clients are given 10 calendar days to provide requested verification. BAM 130 at 5. If the client cannot provide the verification despite a reasonable effort, the time limit can be extended up to three times. *Id* at 6. DHS is to send a case action notice when (*Id.*):

- the client indicates refusal to provide a verification, or
- the time period given has elapsed.

It was not disputed that DHS mailed Claimant a Verification Checklist on 1/5/12 giving Claimant until 1/17/12 to submit 30 days of income verification. DHS contended that Claimant failed to submit the requested income verifications by the due date resulting in a termination of MA benefits. Claimant contended he complied with the request and that the MA benefits should not have been terminated. Thus, the key issue is to determine whether Claimant submitted the requested income records.

The testifying DHS specialist was very knowledgeable and very competent. She was also not Claimant's specialist at the time of the disputed DHS benefit termination. Thus, she had zero first-hand knowledge as to whether Claimant did or did not submit the requested verifications. Claimant gave first-hand testimony concerning submitting the income verifications. He testified that he could not remember the specific DHS request, but he was always sure to comply with DHS verification requests whenever he received them. Claimant's first-hand testimony and DHS' lack of first hand evidence tends to support a finding that Claimant submitted the requested income verification to DHS.

Claimant brought detailed employment income records to the administrative hearing. The records covered an approximate period of one year. Generally, clients that bring verifications to an administrative hearing are more likely to have complied with DHS

verification requests than clients who do not bring verifications. This tends to support a finding that Claimant submitted the income records to DHS.

Claimant testified that DHS made multiple requests for income verifications over the last several months. As a result, he had difficulty distinguishing between the request made via VCL dated 1/5/12 and other verification requests. Claimant stated that he recalled submitting income verifications through the DHS drop-box on multiple occasions in 1/2012 and/or 2/2012. Claimant also recalled signing the drop-box log to verify his submissions. At the hearing, DHS secured the drop box logs from 1/2012 and 2/2012. The undersigned and the testifying representative went through a majority of the logs before the task grew more burdensome than anticipated. Claimant's name was not spotted on the logs that were checked. This tends to support finding that Claimant did not submit the income verifications, though it must be emphasized that a full check of the logs was not undertaken.

DHS presented a Notice of Case Action dated 2/17/12 concerning Claimant's Food Assistance Program (FAP) benefit eligibility. The notice had three different FAP benefit determinations for Claimant- one each for 1/2012 and 2/2012 and 3/2012. Three different determinations is indicative of three different verified incomes. If DHS had three different monthly incomes for Claimant from 1/2012-3/2012 then that is indicative that DHS had verified Claimant's income by 2/17/12. This is somewhat supportive of finding that Claimant complied with the DHS verification request from 1/2012.

Timely notice is given for a negative action unless policy specifies adequate notice or no notice. BAM 220 at 3. A timely notice is mailed at least 11 days before the intended negative action takes effect. The action is pended to provide the client a chance to react to the proposed action. *Id.* 3-4. In the present case, the negative action date was 2/4/12. On 2/3/12, Claimant requested a hearing to the MA benefit closure. Generally, clients that request a hearing prior the negative action date tend to be clients that are either compliant with DHS requests or are clients trying to be complaint. This evidence is somewhat supportive of finding that Claimant complied with DHS verification request.

Based on the presented evidence, it is more likely than not that Claimant complied with the DHS verification request dated 1/5/12 prior to 2/4/12. Accordingly, the DHS MA benefit termination is found to be improper.

Claimant suggested that he requested a hearing to also dispute the MA benefit determination for his spouse when her benefit eligibility is active. Claimant may request a hearing on this issue but would need to do so specifically in response to such a DHS action or upon a written request by Claimant identifying this specific issue.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly terminated Claimant's MA benefit eligibility. It is ordered that DHS:

- (1) reinstate Claimant MA benefit eligibility effective 3/2012;
- (2) process ongoing MA benefit eligibility for Claimant's spouse, if any, adversely affected by the improper termination.

The actions taken by DHS are REVERSED.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: June 28, 2012

Date Mailed: June 28, 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

CG/hw

cc:

