

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201259965
Issue No.: 2006
Case No.: [REDACTED]
Hearing Date: August 30, 2012
County: Macomb DHS (36)

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 August 30, 2012 from Sterling Heights, Michigan. Participants included [REDACTED]. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly denied Claimant's application for Medical Assistance (MA) benefits due to Claimant's alleged failure to submit verifications.

FINDINGS OF FACT

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

1. On 8/26/11, Claimant's authorized representative submitted an application for MA benefits to DHS which included a retroactive MA benefit request back to 6/2011.
2. DHS needed verification of Claimant's income to process the application.
3. DHS failed to send Claimant's authorized representative (AR) a Verification Checklist requesting verification of Claimant's income.
4. DHS has still not officially sent a Notice of Case Action to the AR or Claimant concerning denial of the application dated 8/26/11.

5. On 6/11/12, Claimant's AHR requested a hearing to dispute the failure by DHS to process MA for Claimant since 6/2011.

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.

A request for program benefits begins with the filing of a DHS-1171 or other acceptable form. Before processing an application, DHS may require a client to verify information within their application. Verification is usually required at application. BAM 130 (5/2012), p. 1. DHS must give clients at least ten days to submit verifications. *Id.*, p. 5. DHS is to tell the client what verification is required, how to obtain it, and the due date. *Id.*, p. 2. DHS is to use the DHS-3503, Verification Checklist (VCL) to request verification. *Id.*, p. 2-3.

DHS contended that a VCL (Exhibit 1) was mailed to Claimant on 9/14/11 requesting income verification. A due date of 9/26/11 was noted on the VCL. DHS contended that no response was made by Claimant, which would justify an application denial. The DHS contentions do not adequately address the circumstance of when an authorized representative is listed on an application.

An authorized representative (AR) is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf (for example, to obtain FAP benefits for the group). BAM 110 (5/2012), p. 7. The AR assumes all the responsibilities of a client. *Id.*, p. 8.

It is known that DHS maintains a database of correspondence and has access to all documents mailed in a case. DHS was given an opportunity at the hearing to verify that their correspondence history included a VCL mailed to Claimant's AR. DHS was unable to verify the mailing. DHS contended that the DHS database, Bridges, mailed Claimant's AR a VCL because it was established that a VCL was mailed to Claimant on 9/14/12 and that the AR was attached to Claimant's case in their database. The DHS contention was based on pure speculation. It is expected that a case's correspondence history would include mailings to the AR as well as Claimant. The failure by DHS to produce such a document shows either a failure by DHS in this case to mail a VCL or a general failure by DHS to be able to verify mailings. In either case, the fault rests with

DHS. Based on the presented evidence, it is found that DHS failed to establish sending Claimant's AR a VCL.

DHS noted that significant email and verbal communication occurred between DHS and the AR. DHS implied that the AR had notice of the verification requirements based on the communication. DHS regulations do not allow verbal or non-VCL written notice to serve as substitutions for a VCL. DHS may be correct that the AR had notice, but that does not excuse the DHS policy requirement to provide a VCL. It is found that DHS failed to give proper notice of a request for verifications to Claimant's AR.


It was unclear whether Claimant's MA benefit application was denied, or simply never processed. DHS suggested the application was never processed based on a DHS failure to find a Notice of Case Action in the correspondence history. In either event, the proper remedy is for DHS to reinstate the application and to process it in accordance with their policies.

DECISION AND ORDER

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

- (1) reinstate Claimant's MA benefit application dated 8/26/11, including Claimant's request for retroactive MA benefits from 6/2011;
- (2) process Claimant's application subject to the finding that Claimant's AR has not received a VCL.

The actions taken by DHS are REVERSED.


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

Date Signed: September 10, 2012

Date Mailed: September 10, 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 at
Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:

