

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012264169
Issue No.: 2012
Case No.: [REDACTED]
Hearing Date: April 25, 2013
County: Wayne County (#76)

ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE

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 conducted on Thursday April 25, 2013 from Detroit, Michigan. Claimant appeared and testified along with several witnesses [REDACTED] (Sister), [REDACTED] (Friend), [REDACTED] (Daughter) and [REDACTED] (Friend). Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist) and [REDACTED] (Eligibility Specialist).

ISSUE

Whether the Department properly processed the Claimant's application for Medical Assistance (MA) benefits?

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 November 24, 2010, the Department received the Claimant's application for Medicaid that included a request for retro MA.
2. The Department did not process the application.
3. On May 5, 2012, the Department received another application for Medicaid with a request for retro back to November 2010 and State Disability Assistance (SDA) benefits from Accretive Health while Claimant was in the hospital.

4. The Department processed the MA application, and on May 22, 2013 a Verification Checklist was sent requesting medical documentation to be submitted by June 1, 2012. (Exhibit 2)
5. The Department received medical documentation that was sent to the Medical Review Team (MRT). (Exhibit 3)
6. On June 13, 2012 the MRT deferred its decision and requested additional medical information. (Exhibit 3)
7. The Department subsequently denied the Claimant's MA application for alleged failure to provide requested verifications.
8. On July 11, 2012, the Department received the Claimant's written hearing requesting protesting a July 2, 2012 Notice of Case Action sent by the Department. (Exhibit 4)
9. On July 21, 2012, the Michigan Administrative Hearing System (MAHS) notified the Claimant that her hearing request was denied based on information from the Department that Claimant's MA application was still pending with MRT. (Exhibit 5 & 6)
10. On August 16, 2012, the MRT made a disability decision regarding the Claimant's May 5, 2012 MA application. The Department did not send Claimant notice of the decision.
11. On September 28, 2012, the Department received another application for Medicaid from ADVOMAS, on behalf of the Claimant while she was in the hospital.
12. The Department processed the MA application and sent the medical documentation to MRT.
13. On October 9, 2012, the MRT made a decision on the September 28, 2012 MA application. The notice of case action was not sent to the Claimant.
14. On January 31, 2013, in response to the Claimant's inquiries regarding the status of her MA application. The Department manually produced a Medical Program Eligibility Notice dated January 31, 2013, stating that her July 28, 2012 MA application was denied because MRT determined the Claimant not disabled. (Exhibit 7)
15. On April 4, 2013, MAHS received the Claimant's written hearing request regarding the processing of her MA application. (Exhibit 8)

CONCLUSIONS OF LAW

The Department of Human Services (DHS) policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

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 of Human Services (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 of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACRS, R 400.3151 through R 400.3180.

In the instant case, the Department acknowledged receipt of the Claimant's November 28, 2010 Medicaid application. The Department representative testified that the application was never processed. The Department subsequently received a May 5, 2012 application for MA and SDA benefits with a request for retro MA to November 2010; and a September 28, 2012 MA application on behalf of the Claimant that was processed. The Claimant never received a decision notice regarding either application. On July 11, 2012, the Claimant filed a written hearing request to prompt the processing of her MA application or the issuance of a proper notice of case action, which was denied based on the understanding that the MA application was still pending. On January 31, 2013, the Department manually produced a Medical Eligibility Notice indicating denial of MA and retro MA benefits for a July 28, 2012 application. This form failed to state the applicable months of denial, the basis for the MRT decision and the right to appeal.

Policy provides that a client must receive a written notice of all case actions affecting eligibility or amount of benefits. All application forms and each written notice of case action must inform clients of their right to a hearing which includes an explanation of how and where to file a hearing request. BAM 600 (February 2013), p. 1. For MA purposes a client is entitled to an explanation of specific factors in the determination. BAM 600, p. 1. At hearing, the Department was unable to produce evidence showing that notices of case actions and MRT decisions were properly issued to the Claimant regarding the several MA applications registered.

Based on the evidence on record, the Department has not established that the Claimant was given proper notice of case action regarding the applications for MA and SDA benefits dated November 24, 2010, May 5, 2012 and September 28, 2012. Therefore, the Department did not properly process the applications.

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 not act in accordance with policy when it processed the Claimant's application for MA and SDA benefits dated November 24, 2010, May 5, 2012 and September 28, 2012.

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

1. The Department shall reinstate the Claimant's initial November 24, 2010 application for MA to include retro MA and process in accordance with policy.
2. The Department shall issue a currently dated written notice of case action regarding the Claimant's May 5, 2012 application for MA and SDA benefits.
3. The currently dated notice shall include and comply with policy both indicating the denial, the basis for denial and the right to request a hearing to preserve the Claimant's right to appeal the MRT decisions.

M. Howie

Michelle Howie
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 5/6/2013

Date Mailed: 5/6/2013

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

MH/hw

cc:

