

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201312482
Issue No.: 2006
Case No.: [REDACTED]
Hearing Date: April 24, 2013
County: Wayne DHS (82)

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, a telephone hearing was held on April 24, 2013, from Detroit, Michigan. Participants included the above-named claimant. [REDACTED] testified on behalf of Claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly denied Claimant's Medical Assistance (MA) eligibility due to Claimant's alleged failure to verify household income.

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 11/16/11, Claimant applied for MA benefits, including a request for retroactive MA benefits.
2. DHS initially denied Claimant's application due to a determination that Claimant was not disabled.
3. Following an administrative decision, Claimant was deemed to be disabled.
4. On 7/17/12, DHS mailed Claimant a Medical Determination Verification Checklist (Exhibit 2) requesting Claimant's income and bank statements for herself and spouse from 8/2011 and 6/2012.

5. On 7/30/12, DHS mailed Claimant a Verification Checklist (VCL) requesting "income and assets for self and spouse" and "bank statements for 8/2011, 6/2012 and 7/2012".
6. Claimant did not return bank statements to DHS.
7. Claimant returned to DHS weekly pay stubs for her spouse from: 9/30/11, 10/7/11, 10/14/11, 11/18/11, 6/22/12 and 6/29/12.
8. On 10/31/12, DHS denied Claimant's MA eligibility based on a failure by Claimant to verify income and assets.
9. On 11/15/12, Claimant requested a hearing to dispute the denial of MA benefit eligibility.

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).

The present case concerns an MA application denial based on Claimant's alleged failure to verify income and assets for herself and spouse. The denial for assets will be first considered.

All types of assets are considered for SSI-related MA categories. BEM 400 (10/2012), p. 2. Appropriate assets to verify would be cash held in checking or savings accounts. DHS contended that Claimant and/or her spouse had bank accounts which justified a request for verification of the account balances. DHS presented testimony that Claimant listed on her original MA benefit application having bank accounts. Claimant denied having any bank accounts for herself or her spouse, either presently or in the recent past. The testifying specialist stated that she would not have requested verification of the accounts unless the accounts were listed on Claimant's application. DHS was not able to present the original application in support of their testimony. DHS failed to offer any other evidence to justify the request for bank account verification. Based on the presented evidence, DHS failed to establish a basis for requesting verification of Claimant's bank accounts.

DHS also justified the MA benefit denial based on Claimant's failure to verify her spouse's income. It was not disputed that Claimant's spouse had employment income which needed verification.

For all programs, DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (5/2012), pp. 2-3. DHS must give clients at least ten days to submit verifications. *Id.*, p. 3 DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.*, p. 2. For MA benefits, if the client cannot provide the verification despite a reasonable effort, DHS is to extend the time limit up to three times. *Id.*, p. 2. DHS is to send a negative action notice when:

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

Id., p. 6.

In the present case, DHS mailed Claimant a Medical Determination Verification Checklist which noted at the bottom “Need income and bank statements for self and spouse for 8/2011 & 6/2012” In response, Claimant returned six weekly pay stubs for her spouse- two from 6/2012 and none from 8/2011. In response, DHS mailed Claimant a VCL on 7/30/12 requesting “income and assets for self and spouse”.

The DHS requests for Claimant’s spouse’s income were imperfect. DHS made one request on a VCL specifically used for medical documents (DHS-3503- MRT). DHS policy requires requests be made on a DHS-3503, which has a very different format. As it happened, DHS mailed Claimant a DHS-3503 on 7/30/12; however, the VCL did not specify what months of income verifications that DHS required.

Consideration was given to the fact that DHS requested verifications that were ten months old. Generally, ten month old income verification is not easily obtained. Another factor was that DHS did not have the case file for the hearing. It is reasonably possible that Claimant verified the income at the time of her application. Claimant never made such an allegation, but she may have reasonably forgotten after the passage of seventeen months.

Considerations were also given to the DHS viewpoint. Claimant essentially conceded that she never followed-up with her DHS specialist concerning submitting the verifications. It is generally expected that a client inform DHS of difficulties in obtaining verification. Further, it could be concluded that the failure by DHS to use a DHS-3503 for the first verification request was irrelevant because Claimant responded to the request by submitting some income verifications.


Based on the presented evidence, the DHS procedural failures outweighed Claimant’s failures. Accordingly, it is found that the MA benefit denial was improper.

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 application dated 11/16/11, including any request for retroactive MA benefits, subject to the finding that DHS failed to use a DHS-3503 to specifically request Claimant's spouse's income from 8/2011 and 6/2012 and that DHS failed to establish a basis for requesting verification of Claimant's or her spouse's assets; and
- (2) request Claimant's spouse's income from 8/2011 and 6/2011 using a DHS-3503.

The actions taken by DHS are REVERSED.


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

Date Signed: 5/8/2013

Date Mailed: 5/8/2013

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

CG/hw

cc:

