

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201333810
Issue No: 2006
Case No: [REDACTED]
Hearing Date: August 22, 2013
Jackson County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne D. Sonneborn

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's authorized representative's request for a hearing received by the Department of Human Services (department) on February 20, 2013. After due notice, a telephone hearing was held on August 22, 2013. Claimant's authorized representative, [REDACTED] of L & S Associates, appeared and provided testimony on Claimant's behalf. The department was represented by [REDACTED], an accounts payments supervisor, and [REDACTED], an eligibility specialist, both with the department's Jackson County office.

ISSUE

Whether the department properly denied Claimant's application for Medical Assistance (MA) due to a failure to verify necessary information?

FINDINGS OF FACT

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

1. On August 29, 2012, Claimant's authorized representative, L&S Associates, submitted an assistance application (DHS-1171) on Claimant's behalf, seeking medical assistance. (Department Exhibit 1)
2. On November 29, 2012, the department erroneously denied Claimant's August 29, 2012 application because the department failed to request verification from Claimant and L&S Associates. (Department Exhibit 2)
3. On January 12, 2013, the department mailed Claimant and L&S Associates a Verification Checklist (DHS 3503), requesting bank statements from Claimant's checking and savings accounts for the month

of August 2012, auto title, and verification of Claimant's employment. The information was due to the department by January 22, 2013. (Department Exhibit 3)

4. On January 22, 2013, L&S Associates provided the department with verification of Claimant's auto title but also requested and was granted an extension of the January 22, 2013 deadline for Claimant's remaining bank and income verifications, with the new deadline, as proposed by L&S, being February 1, 2013. (Department Exhibits 4, 6)
5. L&S Associates failed to submit the remaining required verifications by the February 1, 2013 deadline and failed to timely request an extension of the deadline.
6. On February 1, 2013, the department mailed Claimant and L&S Associates a Notice of Case Action (DHS 1605), informing Claimant that her August 29, 2012 application for MA benefits had been denied because she failed to verify or allow the department to verify necessary information. (Department Exhibit 5)
7. On February 19, 2013, L&S Associates submitted a hearing request on Claimant's behalf, protesting the department's denial of her August 29, 2012 application for MA benefits. In doing so, L&S Associates indicated that, because Claimant received a favorable RSDI decision with a disability onset date of July 29, 2010, L&S Associates is requesting that the department apply coverage for Claimant's August 29, 2012 application for MA benefits. (Request for Hearing)

CONCLUSIONS OF LAW

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of that decision. Department of Human Services Bridges Administrative Manual (BAM) 600 (2011), p. 1. The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in sections 400.901 to 400.951 of the Michigan Administrative Code (Mich Admin Code). An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. Mich Admin Code R 400.903(1).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the BAM, the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

Department policy indicates that all clients must cooperate with the local office in determining initial and ongoing eligibility with all programs. BAM 105. This includes completion of the necessary forms. Clients who are able to but refuse to provide necessary information or take a required action are subject to penalties. BAM 105. Clients must take actions within their ability to obtain verifications. BAM 130; BEM 702. Likewise, DHS local office staff must assist clients who ask for help in completing forms. BAM 130; BEM 702; BAM 105.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. BAM 130. The department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. BAM 130. If the client is unable to provide the verification despite a reasonable effort, the department must extend the time limit at least once. BAM 130. For MA, if the client cannot provide the verification despite a reasonable effort, the time limit is extended up to three times. BAM 130. Should the client indicate a refusal to provide a verification or, conversely, if the time period given has elapsed and the client has not made a reasonable effort to provide it, the department may send the client a negative action notice. BAM 130. (Emphasis added).

Department policy further provides that a person eligible for Retirement, Survivors and Disability Insurance (RSDI) benefits based on his disability or blindness meets the disability or blindness criteria. BEM 260. Disability or blindness starts from the RSDI disability onset date established by the Social Security Administration (SSA). BEM 260. This includes a person whose entire RSDI benefit is being withheld for recoupment. No other evidence is required. BEM 260.

Department policy further provides that, when RSDI eligibility is established after the department has denied an application for MA benefits, the department shall process the previously denied application as if it is a pending application when all of the following are true:

- The reason for denial was that the MRT determined the client was **not** disabled or blind, **and**
- The Social Security Administration (SSA) subsequently determined that the client is entitled to RSDI based on his disability/blindness for some or all of the time covered by the denied MA application. BEM 260.

Moreover, with respect to such applications, the department must follow MA policies including verification of income, assets and receipt of RSDI based on disability/blindness. BEM 260. All eligibility factors must be met for each month MA is authorized. BEM 260. And, if more than one MA denial notice was issued prior to the date the client informs DHS of the RSDI approval, the department shall determine eligibility beginning with the oldest application and its retro MA months. BEM 260.

In the instant case, Claimant's hearing request disputes the department's denial of her August 29, 2012 application for MA benefits for failure to timely provide the requested

verifications. Specifically, Claimant's authorized representative asserts that the department should have approved Claimant's August 29, 2012 application for MA benefits based on Claimant having been approved for RSDI benefits on December 1, 2012 with a disability onset date of July 29, 2010. It is undisputed that Claimant's authorized representative first made the department aware of Claimant's favorable RSDI decision in the hearing request submitted by Claimant's authorized representative on February 19, 2013.

At the August 22, 2013 hearing, the department's representative, Judy Rosacrans, testified that the department denied Claimant's August 29, 2012 application for MA benefits on February 1, 2013 because Claimant's authorized representative failed to provide the department with required verifications of Claimant's bank account, income, and additional medical documentations and failed to otherwise request an extension of the February 1, 2013 deadline.

Also at the hearing, Claimant's authorized representative, Georgia Patthanacharoenphon, testified that Claimant had been approved for RSDI benefits on December 1, 2012 with a disability onset date of July 29, 2010 and, therefore, the department should have reprocessed Claimant's August 29, 2012 application for MA benefits on this basis alone without regard to any required verifications. Ms. Patthanacharoenphon could not, however, identify any department policy to support her assertion in this regard. Moreover, Ms. Patthanacharoenphon acknowledged that she had no evidentiary basis to challenge the department's February 1, 2013 denial of Claimant's August 29, 2012 application for failure to verify information.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). Moreover, the weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record, as well as relevant department policies. Having done so, this Administrative Law Judge finds that, based on the competent, material, and substantial evidence presented during the August 22, 2013 hearing, the department acted in accordance with policy in denying Claimant's August 29, 2012 application for MA benefits on February 1, 2013 for failure to verify information. This Administrative Law Judge further finds that, because the department properly denied Claimant's August 29, 2012 application for MA benefits on February 1, 2013 for failure to verify information, and not because the department's Medical Review Team had determined that Claimant was not disabled or blind, the department was not required under BEM 260 to reprocess Claimant's previously denied application after RSDI eligibility had been established.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department acted in accordance with policy in denying Claimant's August 29, 2012 application for MA benefits on February 1, 2013 for failure to verify information. Accordingly, the department's actions in this regard are **UPHELD**.

IT IS SO ORDERED.

/s/ _____

Suzanne D. Sonneborn
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: August 29, 2013

Date Mailed: August 29, 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.

The Claimant may appeal this 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 errors, or other obvious errors in the hearing decision that effect the substantial rights of Claimant;
 - The failure of the ALJ to address other relevant issues in the hearing decision.

201333810/SDS

Request must be submitted through the local DHS office or directly to MAHS by mail at:
Michigan Administrative Hearings System
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, MI 48909-07322

SDS/hj

cc:

