

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-16581  
Issue No.: 2002  
Case No.: [REDACTED]  
Hearing Date: January 9, 2014  
County: Oakland (04)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on January 9, 2014, from Detroit, Michigan. Participants included [REDACTED], Claimant's conservator and authorized hearing representative (AHR). Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly terminated Claimant's Medical Assistance (MA) eligibility due to Claimant's failure to verify vehicle ownership.

**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 Medicaid recipient.
2. On an unspecified date, DHS began an audit of Claimant's Medicaid eligibility.
3. On [REDACTED] 13, DHS mailed Claimant a Verification Checklist (VCL) (Exhibits 1-2) requesting clarification of Claimant's ownership status of three vehicles.
4. The VCL due date was [REDACTED] 13.

5. Claimant failed to return a statement of ownership on the three requested vehicles by the VCL due date.
6. On [REDACTED] 13, DHS initiated a termination of Claimant's MA eligibility, effective [REDACTED]/2014, due to Claimant's failure to provide vehicle information (see Exhibits 3-4).
7. On [REDACTED] 13, Claimant's AHR requested a hearing to dispute the MA termination.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant's AHR requested a hearing to dispute an MA benefit termination. It was not disputed that DHS terminated Claimant's MA eligibility due to Claimant's failure to respond to a VCL requesting vehicle ownership information. For purposes of this decision, it will be assumed that Claimant failed to respond to the VCL.

Assets must be considered in determining eligibility for FIP, SDA, RCA, LIF, G2U, G2C, SSI-related MA categories, AMP and FAP. BEM 400 (10/2013), p. 1. As Claimant has a conservator, it is presumed that Claimant received Medicaid through an SSI-related category. All types of assets are considered for SSI-related MA categories. *Id.*, p. 2. Vehicles are a type of asset.

Though Claimant's vehicles are relevant to determining Claimant's asset-eligibility for SSI-related MA, DHS must provide some basis to justify the request. It was not disputed that DHS requested the information as part of a quality control audit.

For MA benefits, a client refusal to provide necessary eligibility information or to cooperate with a QC review results in ineligibility for:

- The person about whom information is refused, and
- That person's spouse if living in the home, and
- That person's unmarried children under 18 living in the home.

BAM 105 (10/2013), p. 7.

DHS presented testimony that Bridges listed information concerning vehicle ownership which may have conflicted with information presented by Claimant. Bridges is known to be the DHS database which maintains client information. Vehicle information in Bridges is known to be inputted by specialists based on client reporting. It is reasonable for DHS to rely on Bridges as an organizational tool for matters such as a client's vehicle

ownership; Bridges may not be the sole basis to justify the necessity of a verification request. If DHS had inconsistent and/or questionable information concerning Claimant's vehicle ownership, DHS is expected to present the original source of information (e.g. client applications, Secretary of State inquiry...) creating the conflict or question. In the present case, DHS was unable to justify a need for Claimant to verify vehicle information other than some unspecified conflict in Bridges. It is found that DHS failed to establish that necessary information was requested from Claimant.

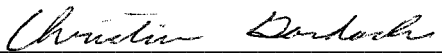
DHS cannot take an adverse action based on a client's failure to respond to an information request without establishing the necessity for such information. It is found that DHS improperly terminated Claimant's MA benefit eligibility.

### **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 perform the following actions:

- (1) reinstate Claimant's MA benefit eligibility, effective [REDACTED]/2014, subject to the finding that DHS did not establish a basis to request vehicle information from Claimant; and
- (2) supplement Claimant for any benefits improperly not issued.

The actions taken by DHS are **REVERSED**.

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

Date Signed: 01/14/2014

Date Mailed: 01/14/2014

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;

- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

CG/hw

cc:

