

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

**IN THE MATTER OF:**



Reg. No.: 201415985  
Issue No(s): [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: February 18, 2014  
County: Kent

**ADMINISTRATIVE LAW JUDGE:** Gary F. Heisler

**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 February 18, 2014, from Lansing, Michigan. Participants on behalf of Claimant included herself and her spouse, [REDACTED]. Participants on behalf of the Department of Human Services (Department) included AP Supervisor [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's August 22, 2013 Medical Assistance (MA) application on November 13, 2013 for failure to provide 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 August 22, 2013, Claimant submitted an application for Medical Assistance (MA) based on disability including retroactive coverage for June and July 2013.
2. On October 2, 2013, the Department incorrectly sent Claimant a Notice of Case Action (DHS-1605) which stated the August 22, 2013 application was denied.
3. On October 3, 2013, Claimant was sent a Verification Checklist (DHS Form 3503). The required verifications were due October 14, 2013.
4. On October 23, 2013, Claimant submitted all required assets except for Claimant's IRA account. Claimant also submitted a request for hearing.

5. On October 30, 2013, all required assets proofs had not been provided. Claimant was sent a Notice of Case Action (DHS-1605) which stated the August 22, 2013 application was denied. Claimant attended a pre-hearing conference regarding the October 23, 2013 request for hearing. The Department reinstated the August 22, 2013 application and sent Claimant another Verification Checklist (DHS Form 3503). The required asset verifications were due November 12, 2013. Claimant withdrew the October 23, 2013 request for hearing.
6. On November 13, 2013, the Department had not received the remaining asset verification. Claimant was sent a Notice of Case Action (DHS-1605) which stated the August 22, 2013 application was denied.
7. On November 26, 2013, Claimant submitted a request for hearing about the November 13, 2013 Notice of Case Action (DHS-1605).

### **CONCLUSIONS OF LAW**

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

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.

The missing asset verification in this case is an IRA in Claimant's name. The October 3, 2013 Verification Checklist (DHS Form 3503) specified the IRA. The October 30, 2013 Verification Checklist (DHS Form 3503) only stated "James I need proof of all assets." James Gorham does not dispute receiving the October 30, 2013 Verification Checklist (DHS Form 3503). James testified that he thought all the required verifications had been turned in and the October 30, 2013 Verification Checklist (DHS Form 3503) was just one more of the several papers involved in the mistakes made about Wendy's application. Given all the false starts and course changes during this sequence of events, James' testimony is completely credible. It is also completely reasonable that he did not call the Department to triple check if everything was in order. In these specific circumstances, the lack of specifying the IRA account on the October 30, 2013 Verification Checklist (DHS Form 3503) is a failure of notice. Claimant cannot be expected to provide verifications she does not know are missing.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it

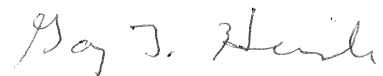
denied Claimant's August 22, 2013 Medical Assistance (MA) application on November 13, 2013 for failure to provide verifications.

**DECISION AND ORDER**

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reinstate Claimant's August 22, 2013 Medical Assistance (MA) application including the request for retroactive coverage.
2. Process the application in accordance with Department policy.



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Gary F. Heisler  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 5, 2014

Date Mailed: March 5, 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

GFH/nk

cc:

