

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-10280  
Issue No(s): 2001; 2004  
Case No.: [REDACTED]  
Hearing Date: February 19, 2014  
County: Wayne (18)

**ADMINISTRATIVE LAW JUDGE:** Eric Feldman

**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 three-way telephone hearing was held on February 19, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included [REDACTED], Assistant Payment Supervisor, and [REDACTED], Eligibility Specialist.

**ISSUES**

Did the Department properly process Claimant's Medicare Savings Program (MSP) application in July 2013?

Did the Department properly deny Claimant's MSP application effective October 1, 2013, ongoing?

**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 October 11, 2013, Claimant applied for Medical Assistance (MA) benefits and retroactive MA for July to September 2013. See Exhibit 1.
2. On October 11, 2013, Claimant also requested assistance for her Medicare Part B premium and co-pays. See Exhibit 1.

3. On October 21, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA benefits were approved effective October 1, 2013, ongoing. See Exhibit 1.
4. On October 21, 2013, the Notice of Case Action also denied Claimant's MSP - Additional Low-Income Medicare Beneficiaries (ALMB) coverage effective October 1, 2013, ongoing, due to Claimant requested in writing that her assistance or application for assistance be stopped. See Exhibit 1.
5. On October 24, 2013, Claimant filed a hearing request, protesting her MSP denial. See Exhibit 1.
6. On January 9, 2014, the Michigan Administrative Hearing System (MAHS) sent Claimant a Notice of Hearing, scheduling her for a hearing on January 22, 2014. See Exhibit 2.
7. On January 23, 2014, the MAHS sent Claimant an Order of Dismissal. See Exhibit 2.
8. On an unspecified date, Claimant requested that the Department vacate her Order of Dismissal. See Exhibit 2.
9. On January 30, 2014, the Supervising Administrative Law Judge (ALJ) sent Claimant an Order Vacating the Dismissal and Order to Schedule Matter for Hearing. See Exhibit 2.
10. On February 5, 2014, the MAHS sent Claimant a Notice of Hearing, rescheduling her for a hearing on February 19, 2014. See Exhibit 2.

### **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.

#### **July 2013 MSP application**

First, Claimant testified that she submitted a paper application for her MSP benefits in July 2013. Claimant testified that she submitted the application at her local DHS office and signed the logbook. Claimant did not provide a copy of the application submitted at

the hearing. Also, Claimant testified that she ultimately discovered from her DHS caseworker that they did not receive an application. Thus, Claimant testified that she reapplied for MSP benefits in October 2013.

The Department testified that it did not receive such an application. Moreover, a review of the Eligibility Summary did not indicate an application denial for July 2013. See Exhibit 1. The last activity present in the Eligibility Summary for MSP benefits was a certification date of November 19, 2012 and October 21, 2013. See Exhibit 1. The October 21, 2013 application will be discussed later in this decision.

Any person, regardless of age, or his/her authorized representative (AR) may apply for assistance. BAM 110 (July 2013), p. 4. Register a signed application or filing form, with the minimum information, within one workday for all requested programs. BAM 110, p. 19.

The Department determines eligibility and benefit amounts for all requested programs. BAM 105 (July 2013), p. 13. A DHS-1171 application for cash assistance (FIP/RCA/SDA) is an application for medical assistance (MA/RMA/AMP), even if medical assistance is not checked as a program being applied for on page 1 of the application. BAM 105, p. 13.

The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information. BAM 115 (July 2013), p. 15. For MA applications, the Department certifies the program approval or denial of the application within 45 days. BAM 115, p. 15. However, there are exceptions to these benefits programs for processing times, which are described as follows: 90 days for MA categories in which disability is an eligibility factor. BAM 115, p. 16. The SOP can be extended 60 days from the date of deferral by the Medical Review Team. BAM 115, p. 16.

Moreover, if the group is ineligible or refuses to cooperate in the application process, the Department must certify the denial within the standard of promptness and also send a DHS-1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s). BAM 115, p. 23. If approved, the Department sends the DHS-1605 detailing the approval at certification of program opening. BAM 115, p. 23.

Based on the foregoing information and evidence, the Department properly did not determine MSP eligibility for the Claimant in accordance with Department policy. A review of the Eligibility Summary does not indicate any program request for MSP benefits in July 2013. See Exhibit 1. The last activity present in the Eligibility Summary for MSP benefits was a certification date of November 19, 2012 and October 21, 2013. See Exhibit 1. Even though the Claimant testified about the logbook, Claimant failed to present a copy of the application at the hearing. Moreover, the Department presented credible evidence that it did not receive such an application in July 2013. Because there is no evidence present of a July 2013 MSP application, the Department properly

did not determine her MSP eligibility for July 2013. BAM 105, p. 13; BAM 110, pp. 4 and 19; and BAM 115, pp. 15, 16; and 23.

### **October 2013 MSP application**

Second, Claimant testified that she applied for MSP benefits in October 2013. On October 11, 2013, Claimant applied for MA benefits and retroactive MA for July to September 2013. See Exhibit 1. Claimant also indicated in the application Medicare Part A and Part B coverage effective June 1, 2013. See Exhibit 1. Finally, Claimant also requested assistance for her Medicare Part B premium and co-pays in the application. See Exhibit 1.

At the hearing, the Department testified that Claimant only requested MA benefits. The Department indicated no request for MSP benefits. Moreover, on October 21, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA benefits were approved effective October 1, 2013, ongoing. See Exhibit 1. Additionally, on October 21, 2013, the Notice of Case Action also denied Claimant's MSP - ALMB coverage effective October 1, 2013, ongoing, due to Claimant requested in writing that her assistance or application for assistance be stopped. See Exhibit 1. The Department testified that when Claimant applied for MA benefits, it also determined her MSP eligibility. Thus, the Department testified that is why the Notice of Case Action referenced the MSP denial because of the MA application. However, the Department was unable to present any testimony or evidence regarding the denial reason. As stated previously, the MSP denial reason was that Claimant requested in writing that her assistance or application for assistance be stopped. See Exhibit 1. Claimant testified that she did not make any such request that her MSP be terminated. See Request for Hearing, Exhibit 1.

Medicaid coverage includes Medicare cost-sharing benefits, meaning it will pay for Medicare Part B premiums or Part A and B premiums, coinsurances, and deductibles for certain Medicaid recipients. BAM 810 (July 2013), p. 1. Medicaid Savings Programs ("MSP") are SSI-related MA categories. BEM 165 (October 2013), p. 1.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 (July 2013), p. 1. Medicaid is also known as Medical Assistance ("MA"). BEM 105, p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1.

As stated previously, the MSP are SSI-related MA Categories. BEM 165, p. 1. The three Medicare Savings Programs are Qualified Medicare Beneficiaries (also known as full-coverage QMB); Specified Low-Income Medicare Beneficiaries (also referred to as limited coverage QMB and SLMB); and Additional Low-Income Medicare Beneficiaries (also known as ALMB or Q1). BEM 165, p. 1.

Based on the foregoing information and evidence, the Department improperly denied Claimant's MSP application effective October 1, 2013, ongoing.

First, it is determined that Claimant did apply for MSP benefits in the application dated October 11, 2013. Even though it is evident that Claimant's application is for MA benefits, a review of the application also found her request for MSP benefits. In the application, Claimant indicated Medicare Part A and Part B coverage effective June 1, 2013. See Exhibit 1. Moreover, Claimant also requested assistance for her Medicare Part B premium and co-pays in the application. See Exhibit 1. This evidence is persuasive to conclude that Claimant did request MSP benefits.

Second, it is also found that the Department improperly denied Claimant's MSP application effective October 1, 2013, ongoing. As stated previously, the MSP denial reason was that Claimant requested in writing that her assistance or application for assistance be stopped. See Exhibit 1. However, the Department did not satisfy its burden of showing that it acted in accordance with Department policy when it was unable to testify or present evidence of Claimant requesting her MSP application to be stopped. In fact, Claimant credibly testified that she did apply for MSP benefits in the October 2013 application and it was concluded that she did such a request. Thus, the Department will reprocess Claimant's MSP application and determine her eligibility. See BAM 105, p. 14; BAM 110, pp. 4 and 19; BAM 115, pp. 15, 16; and 23; and BEM 165, pp. 1-9.

### **DECISION AND ORDER**


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 (i) acted in accordance with Department policy when it properly did not determine MSP eligibility for the Claimant in July 2013; and (ii) did not act in accordance with Department policy when it improperly denied Claimant's MSP application effective October 1, 2013, ongoing.

Accordingly, the Department's MSP decision is AFFIRMED IN PART with respect to July 2013 and REVERSED IN PART with respect to the application dated October 11, 2013.

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. Reregister the Claimant's MSP application dated October 11, 2013;
2. Begin reprocessing the application/recalculating the MSP budget in accordance with Department policy;

3. Issue supplements to Claimant for any MSP benefits she was eligible to receive but did not in accordance with Department policy; and
4. Notify Claimant in writing of its MSP decision in accordance with Department policy.

  
**Eric Feldman**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 12, 2014

Date Mailed: March 12, 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

2014-10280/EJF

EJF/tlf

cc:

