

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-000841
Issue No(s): 2001
Case No.: [REDACTED]
Hearing Date: May 8, 2014
County: Eaton County DHS

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 May 8, 2014, from Lansing, Michigan. Participants on behalf of Claimant included her authorized hearing representative [REDACTED]. Participants on behalf of the Department of Human Services (Department) included ES [REDACTED] and Hearing Facilitator [REDACTED].

ISSUE

Did the Department properly deny Claimant's September 17, 2013, Medical Assistance and retroactive Medical Assistance application on November 1, 2013?

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 September 9, 2013, [REDACTED] submitted an application for Medical Assistance and retroactive Medical Assistance on Claimant's behalf.
2. On September 17, 2013, the Department registered the application. Because Claimant was not a US citizen, programming of the governmental database did not allow continued processing of the application.
3. On October 2, 2013, the issues with programming of the governmental database were overcome and processing of the application began. Claimant's benefit group was determined not eligible for Medicaid under the Low Income Family (LIF) category, the Healthy Kids under 1 Year (HK1) category, or Healthy Kids Pregnant Woman (HKP) category based on the income reported in the application. Claimant

and [REDACTED] were sent a Notice of Case Action (DHS-1605) regarding that determination.

4. On October 2, 2013, a Verification Checklist (DHS-3503) was sent to Claimant and [REDACTED] requesting verification of Social Security Numbers for Claimant, her spouse, and her child. The verifications were due on October 14, 2013.
5. On October 14, 2013, an extension of time to provide verifications was given. The new due date was October 24, 2013.
6. On October 23, 2013, [REDACTED] requested a second extension until November 3, 2013.
7. On October 29, 2013, ES [REDACTED] sent [REDACTED] a memorandum explaining that an extension could only be given until November 1, 2013 (45 day SOP date).
8. On November 1, 2013, the Department denied Claimant's application for failure to provide requested information. No notice of this determination was sent.
9. On November 1, 2013, [REDACTED] requested a third extension until November 13, 2013.
10. On November 8, 2013, [REDACTED] requested a fourth extension of time to provide required verifications.
11. On November 21, 2013, [REDACTED] submitted identification, passports and citizenship information for Claimant and her spouse.
12. On February 6, 2014, [REDACTED] requested a status update on the application.
13. On February 7, 2014, ES [REDACTED] provided [REDACTED] a detailed explanation of the processing of the application as well as the denial on November 1, 2013.
14. On March 28, 2014, [REDACTED] submitted a hearing request.

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 Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the

collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

██████████ requested this hearing on the basis that the Department erred by not granting three extensions but instead denying the application on November 1, 2013. If three extensions had been granted the final date to submit verifications would have been November 13, 2013.

In response to that specific issue, the Department asserts that a determination had to be made by the 45 day SOP date (November 1, 2013). Normally an application is registered and processing begins the same day as registration. One of the first events in processing is the generation of a Verification Checklist (DHS-3503). If three, 10 day extensions (30 days) are invoked after the initial due date, the final verification deadline is still within the 45 day SOP period. (12 initial days + 30 extension days = 42 days)

In this case, Claimant's application was registered on September 17, 2013 but processing of Claimant's application was delayed by the programming problem caused by Claimant's citizenship status. The delay resulted in the initial Verification Checklist (DHS-3503) being issued on the 15th day after registration instead of the day of registration. In this case, an additional 15 days was added to the normal 42 day time sequence for 3 extensions. (15 delayed days + 12 initial + 30 extension days = 57 days). In this case, the 45 day SOP date came before the 57 days required to allow for 3 extensions.

Bridges Administration Manual (BAM) 115 Application Processing at page 15 under Standards of Promptness for MA states "Certify program approval or denial of the application within 45 days." There are also some exceptions listed. At page 32, under Processing Delays for all programs there is guidance on situations in which an application is not processed by the standard of promptness. It also states "Exceeding the SOP cannot be the sole reason for a denial."

Bridges Eligibility Manual (BEM) 223 (2013) at page 1 states:

As a condition of eligibility, individuals, including individuals being added to an active case, must:

Supply their SSN.

Cooperate in obtaining an SSN.

Be excused from supplying and obtaining an SSN.

Bridges Eligibility Manual (BEM) 225 (2013) at page 1 states “Determine the alien status of each non-citizen requesting benefits at application, member addition, redetermination and when a change is reported.”

Department policy does not support the Department denying the application on November 1, 2013, before the opportunity for 3 extensions. While the delay caused by programming is understood, the detriment caused is the Department’s burden, not the applicant’s. Claimant should have been provided with the Bridges Administration Manual (BAM) 130 provision of up to 3 extensions.

However, the undisputed facts in evidence show that required verification of identity, alien status, and Social Security Numbers were not provided by November 13, 2013. The undisputed facts in evidence show that denial of the application was a correct action, but done at an incorrect time. Denying the application before November 13, 2013 was a premature action. The application should not have been denied until November 13, 2013.

When an Administrative Law Judge conducts hearings on Department of Human Services' eligibility determinations, three customers are impacted. In addition to the two obvious customers, Claimant and the Department, taxpayers are also impacted. In this case there was a timing error made by the Department. It is within the authority of this Administrative Law Judge to make the Department reprocess the application to correct the timing error. In light all parties impacted, doing so is not the best course.

██████████ continued on with their pursuit of the application without knowledge that a premature eligibility determination had been made on November 1, 2013. The undisputed facts in evidence show that: a fourth extension was requested on November 8, 2013 because all required verifications had not been obtained; required verification of identification, alien status, and income were not provided until after November 13, 2013; and that required verifications regarding SSN requirements were never provided. As Claimant’s authorized hearing representative no steps were taken to comply with SSN requirements in BEM 223 even though the Department had specified that need in the initial Verification Checklist (DHS-3503). Any assertion by ██████████ that their conduct would have been different if actually given until November 13, 2013, would hold no credibility.

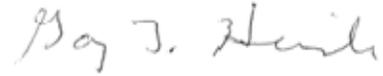
Ordering the Department to reprocess the application will not change the fact that all required verifications were not provided by November 13, 2013 and the application would have been properly denied on that date. Ordering the Department to reprocess the application would be detrimental to taxpayers because of the additional expenditure it would create.

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 failed to

satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's September 17, 2013, Medical Assistance and retroactive Medical Assistance application on November 1, 2013. The Department should not have denied the application until November 13, 2013.

Accordingly, the Department's action will not be **REVERSED**.



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

Date Signed: May 30, 2014

Date Mailed: May 30, 2014

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

14-000841/GFH

GFH/hj

cc:

