

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201429933  
Issue No(s): 2002  
Case No.: [REDACTED]  
Hearing Date: May 5, 2014  
County: Oakland (02)

**ADMINISTRATIVE LAW JUDGE:** May 5, 2014

**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, an in-person hearing was held on May 5, 2014, from Madison Heights, Michigan. Participants on behalf of Claimant included Claimant, [REDACTED]; Claimant's daughter, and [REDACTED], appeals department manager at [REDACTED]; Claimant's authorized hearing representative (AHR). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly deny Claimant's October 25, 2013 application for Medical Assistance (MA) benefits?

**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 25, 2013, Claimant applied for MA.
2. On October 28, 2013, the Department sent Claimant a Verification Checklist (VCL) requesting verification of checking and savings accounts and of last 30-days' income for two employers.
3. The due date for the VCL was extended three times, to December 9, 2013.

4. On December 9, 2013, the Department sent Claimant and the AHR a Notice of Case Action notifying them that Claimant's application was denied for failure to verify requested information.
5. On an unknown date, the Social Security Administration (SSA) approved Claimant for disability benefits, with a disability onset date of October 22, 2013.
6. On February 6, 2014, the AHR filed a hearing request disputing the Department's actions.

### **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.

In this case, the Department sent Claimant a VCL requesting verification of his [REDACTED] savings and checking accounts and 30-days' of employment income from his two employers, [REDACTED]. BEM 400 (October 2013), pp. 14, 16, 56; BEM 500 (July 2013), p. 12; BEM 501 (July 2013), p. 6. The Department testified that Claimant did not provide verification of his savings account by the December 9, 2013 extended VCL due date and the verification of [REDACTED] employment income he provided was inadequate.

Most of the evidence at the hearing focused on whether the Department properly denied Claimant's MA application for failure to verify request information. However, during the course of the hearing, the Department testified that Claimant had been approved for disability benefits by SSA with a disability onset date of October 22, 2013. Claimant's SOLQ report, which allows the Department to retrieve information concerning Claimant's SSA benefits through the Department's data exchange with SSA, was admitted into evidence. The SOLQ shows that Claimant received Supplemental Security Income (SSI) benefits for February 2014 through May 2014 and a lump sum payment in January 9, 2014 based on an October 1, 2013 date of SSI eligibility. The SSI benefits eventually ended and Claimant was eligible for Retirement, Survivors and Disability Insurance (RSDI) benefits as of May 2014.

An SSI recipient who is a Michigan resident and cooperates with third-party resource liability requirements is automatically eligible for MA. BEM 150 (July 2013), p. 1. Ongoing MA eligibility begins the first day of the month of SSI entitlement. BEM 150, p. 1. "SSI recipient" is defined under Department policy as a "person receiving (or eligible for, as determined by SSA) an SSI benefit issued by SSA." Bridges Policy Glossary (BPG) (July 2013), p. 60.

Because the SOLQ identifies Claimant as eligible for SSI as of October 1, 2013, he was eligible for MA for SSI recipients as of that date. The provision in BEM 150 providing for automatic MA coverage for SSI recipients means that asset and income verification is not necessary. Therefore, Claimant's failure to provide adequate verification of assets and income in response to the October 28, 2013 VCL would **not** prevent his eligibility for MA coverage for SSI recipients. Under these facts, the Department did not act in accordance with Department policy when it failed to activate MA for SSI recipients for Claimant as of October 1, 2013.

It is noted that, because Claimant's disability benefits converted to RSDI benefits, the Department would have to conduct an ex parte review of his MA case to determine his ongoing eligibility for MA coverage once he began receiving RSDI income. BEM 150, p. 6; see also BEM 260 (July 2013), p. 1; BEM 163 (July 2013), p. 2; BEM 166 (July 2013), p. 2.

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 did not act in accordance with Department policy when it failed to activate Claimant's MA coverage as of October 1, 2013.


### **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. Activate Claimant's MA coverage for October 1, 2013, ongoing; and

2. Provide Claimant with MA coverage he is eligible to receive from October 1, 2013, ongoing.

  
**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 16, 2014

Date Mailed: May 16, 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

ACE/tif

2014-35079/ACE

cc:

