

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201433762  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: April 29, 2014  
County: Isabella

**ADMINISTRATIVE LAW JUDGE:** C. Adam Purnell

**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 four-way telephone hearing was held on April 29, 2014 from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] (Claimant's Authorized Hearing Representative (AHR) from [REDACTED] and [REDACTED] (Claimant). Participants on behalf of the Department of Human Services (Department) included [REDACTED] (Eligibility Specialist) and [REDACTED] (Hearing Facilitator/Assistance Payments Supervisor).

**ISSUE**

Did the Department properly deny Claimant's application for Medical Assistance (MA) and retroactive MA due to a failure to verify necessary information?

**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 applied for MA, retroactive MA benefits and State Disability Assistance (SDA) on December 26, 2013. Claimant signed the application.
2. On December 26, 2013, the Department mailed Claimant a Verification Checklist (DHS-1605) which requested the following verifications: proof of insurance policy from Whole Life Participating, proof of home rent and proof of checking account.
3. On January 3, 2014, [REDACTED] from [REDACTED], sent correspondence to the Department via facsimile which: (1) indicated that Claimant was in the hospital; (2) requested an extension for any pending requests for

verifications; (3) included copies of Claimant's medical expenses and income/asset information<sup>1</sup> and (4) indicated that an authorized representation form will be forthcoming.

4. On January 9, 2014, the Department received via facsimile an Appointment of Representative from [REDACTED] which was signed by Claimant on January 4, 2014. The facsimile cover sheet inquired about Claimant's case and indicated that the appointment documentation was previously sent to the Department on January 3, 2014.
5. On January 16, 2014, the Department mailed Claimant a Notice of Case Action (DHS-1605) which denied Claimant's application effective December 1, 2013 for MA because verification of life insurance was not returned.
6. On January 22, 2014, [REDACTED] sent an email to Department worker [REDACTED] which inquired about the January 9, 2014 facsimile and requested the Department reopen and reprocess Claimant's MA case because Claimant's life insurance policy was actually a work benefit and was incorrectly listed on the assistance application.
7. On February 18, 2014, [REDACTED] sent a response email to [REDACTED] which indicated that the case was denied before the Department received documentation that indicated [REDACTED] was involved as Claimant's authorized representative in this case.
8. On March 23, 2014, [REDACTED], submitted a hearing request on Claimant's behalf, protesting the Department's denial of his application for MA benefits. The request for hearing indicates that Claimant incorrectly indicated on his assistance application that he had a life insurance policy as it was actually an employer benefit term policy and that he did not have a copy and did not have a policy in effect at the time.

### **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).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness of

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<sup>1</sup> The records included checking account statements from [REDACTED], social security records, and records & bills from [REDACTED] from the following dates of service: [REDACTED], and [REDACTED].

that decision. Department of Human Services Bridges Administrative Manual (BAM) 600 (2011), p. 1. The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in sections 400.901 to 400.951 of the Michigan Administrative Code (Mich Admin Code). An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. Mich Admin Code R 400.903(1).

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the BAM, the Bridges Eligibility Manual (BEM) and the Progra Reference Manual (PRM).

Department policy indicates that clients must cooperate with the local office in determining initial and ongoing eligibility with all programs. BAM 105. This includes completion of the necessary forms. Clients who are able to but refuse to provide necessary information or take a required action are subject to penalties. BAM 105. Clients must take actions within their ability to obtain verifications. BAM 130; BEM 702. Likewise, DHS local office staff must assist clients who ask for help in completing forms. BAM 130; BEM 702; BAM 105.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. BAM 130. The department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. BAM 130. If the client is unable to provide the verification despite a reasonable effort, the department must extend the time limit at least once. BAM 130. . For MA, if the client cannot provide the verification despite a reasonable effort, the time limit is extended up to three times. BAM 130. Should the client indicate a refusal to provide a verification or, conversely, if the time period given has elapsed and the client has not made a reasonable effort to provide it, the department may send the client a negative action notice. BAM 130.

For all programs, an authorized representative (AR) is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf (for example, to obtain FAP benefits for the group). BAM 110, p 8 (1-1-2014). The AR assumes all the responsibilities of a client; see BAM 105. AR's must give their name, address, and title or relationship to the client. To establish the client's eligibility, they must be familiar enough with the circumstances to complete the application, answer interview questions, and collect needed verifications. BAM 110, pp 8-9. For purposes of MA, an AR must be designated in writing by the client. See BAM 110, pp 10-11.

Here, the Department argues that Claimant's application was properly denied for failure to return verifications concerning Claimant's life insurance policy. Claimant's AHR, on the other hand, contends that Claimant's assistance application was completed by "an advocate" and that the application was completed in error with regard to the presence of life insurance. Claimant's AHR also argues that the application clearly indicates that the

life insurance was an employment benefit rather than a whole life insurance policy. Claimant's AHR further contends that [REDACTED] was identified as of January 9, 2014 prior to the notice of case action denying the application which was dated January 16, 2014.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). The weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997). Moreover, it is for the fact-finder to gauge the demeanor and veracity of the witnesses who appear before him, as best he is able. See, e.g., *Caldwell v Fox*, 394 Mich 401, 407; 231 NW2d 46 (1975); *Zeeland Farm Services, Inc v JBL Enterprises, Inc*, 219 Mich App 190, 195; 555 NW2d 733 (1996).

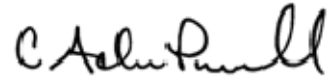
This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. The record in this case clearly shows that the Department properly mailed the verification checklist seeking life insurance policy information to Claimant on December 26, 2013. The Department's issuance of the verification checklist which sought Claimant's life insurance information was valid and proper. The due date for these verifications was January 6, 2014. Although Health Claims Advocates informed the Department on January 3, 2014 that it expected to be appointed as an AR for purposes of Claimant's MA application, the Department was not obligated to grant an extension nor was it required to acknowledge [REDACTED] as Claimant's AR at that time. There is no dispute that Claimant signed the Appointment of Representative form which duly appointed [REDACTED] as his AR on January 4, 2014 and that the Department did not receive confirmation that Health Claims Advocates was Claimant's AR until January 9, 2014. Because the verifications were due on January 6, 2014 and the Department did not receive confirmation that Claimant had an AR appointed until January 9, 2014, the Department properly denied the MA application for failure to timely provide requested verifications of life insurance policy. The fact that the Department may have later learned that the life insurance was through Claimant's employer does not mean that the Department was not justified to forward the verification request to Claimant at the time. The due date for the life insurance verifications was January 6, 2014 and the Department was not provided with a valid request for extension from a duly appointed AR until January 9, 2014.

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 acted in accordance with Department policy when it denied Claimant's application for MA and/or retroactive MA for failure to provide verification of life insurance policy information.

**DECISION AND ORDER**

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

IT IS SO ORDERED.



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C. Adam Purnell  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 05/12/2014

Date Mailed: 05/12/2014

**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

CAP/sw

cc:

