

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-000980
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: July 2, 2014
County: MACOMB-DISTRICT 12

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 July 2, 2014, from Detroit, Michigan. Participants on behalf of Claimant included [REDACTED], Claimant's legal guardian (Guardian). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist/Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's October 31, 2013 application for Medical Assistance (MA), with request for retroactive coverage to August 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 October 31, 2013, Claimant applied for MA benefits, with request for retroactive coverage to August 1, 2013.
2. On November 8, 2013, the Department sent Guardian a Verification Checklist (VCL) requesting that she submit Claimant's bank statement for his [REDACTED] bank account and, if closed, that she provide verification of this and where the money was transferred.
3. No response to the VCL was received by the Department by the November 18, 2013 due date.

4. On January 9, 2014, the Department sent Guardian a Notice of Case Action notifying her that Claimant's MA application was denied because it had not received verification of the status of the [REDACTED] checking account.
5. On March 25, 2014, Guardian granted legal counsel authority to act on behalf of Claimant to request, and represent Claimant in, an administrative hearing concerning MA benefits.
6. On April 7, 2014, counsel requested a hearing disputing the Department's denial of Claimant's MA application in the January 9, 2014 MA Notice of Case Action.

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.

As a preliminary matter, it is noted that the hearing request filed by counsel on April 7, 2014 identified the Department's January 9, 2014 denial of Claimant's MA application as the issue presented. Counsel subsequently withdrew its representation of Claimant, but Guardian represented Claimant at the hearing. At the hearing, Guardian also contended that the Department improperly closed Claimant's MA case on July 31, 2013 and failed to process an August 2013 MA application. However, because those issues were not identified in the request for hearing, they are not addressed in this Hearing Decision, which is limited to the issue of the Department's denial of the October 31, 2013 MA application in the January 9, 2014 Notice of Case Action.

The Department testified that it denied Claimant's October 31, 2013 MA application, with request for retroactive coverage to August 1, 2013, because Claimant failed to verify his [REDACTED] bank account ending 6091. A checking account is an asset, and at application, a client must verify that the value of the money in the account does not exceed the asset limit for MA eligibility under SSI-related MA categories, which are categories providing MA coverage to individuals who are aged, disabled, blind, or entitled to Medicare. BEM 400 (October 2013), pp. 1, 14, 16, 56; BEM 105 (January 2014), p. 1.

The Department explained that, in connection with processing a June 2012 MA application for Claimant, it received on July 12, 2012 a bank statement that showed a \$1640.15 balance as of May 31, 2012 for a [REDACTED] account ending 6091. Because it had information concerning this account in its system, in connection with processing Claimant's October 31, 2014 MA application, the Department testified that it sent Guardian a November 8, 2013 VCL requesting verification of Claimant's [REDACTED] account by November 18, 2013. In the VCL, the Department specified that if the account was closed, verification of the closure, as well as verification of where the funds in the account were transferred, was required. The Department testified that when it did not receive verification of the account, it denied Claimant's MA application for failure to verify assets.

At the hearing, Guardian acknowledged receiving the VCL and not providing any verification in response to the VCL. She contended, however, that she had previously verified to the Department that the [REDACTED] account at issue was closed. At the hearing, she presented a [REDACTED] checking account statement for August 1, 2012 to August 31, 2012 showing that account ending -6091 had an ending balance of \$0 on August 31, 2012. The statement includes a handwritten notation stating that "this is to confirm that this account is closed as of 8/31/2012" signed by an individual identifying herself as a vice president and marked with a stamp with the bank's name and address; the signed notation is not dated. Guardian contended that she had provided this document to the Department on more than one occasion prior to the request in the November 8, 2013 VCL. When asked to identify when the document was provided, the Guardian stated that she provided it in December 2012 in connection with an MA application filed at that time on Claimant's behalf. However, the evidence at the hearing showed that Claimant was approved for MA in mid-2012 and his case was closed effective July 31, 2013, when, in connection with a redetermination, verification of the [REDACTED] account was not provided. An application is not registered when a client is already active for the program. BAM 110 (November 2012), p. 6. Furthermore, because MA redeterminations are required every 12 months, based on the Department's testimony that a MA redetermination had been sent to Claimant in June 2013, Guardian's testimony that an application was submitted in December 2012 is not supported by the facts and policy. See BAM 210 (November 2012), pp. 1-2. The December 6, 2012 Notice of Case Action Guardian relied on to establish that a December MA application had been approved merely identified the patient pay amount that applied to Claimant's MA case for January 1, 2013 and does not show that a new MA application was approved.

Because Guardian has failed to establish that she had provided documentary evidence to the Department prior to January 9, 2014 showing that Claimant's [REDACTED] account had been closed, 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 October 31, 2013 MA application with request for retroactive coverage to August 1, 2013.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.



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

Date Signed: **7/10/2014**

Date Mailed: **7/14/2014**

ACE / tlf

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, 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

cc:

