

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-003571  
Issue No.: MEDICAID - ELIGIBILITY  
Case No.: [REDACTED]  
Hearing Date: July 29, 2014  
County: Genesee County DHS #2

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 July 29, 2014, from Flint, Michigan. Participants on behalf of Claimant included [REDACTED], [REDACTED] Authorized Hearing Representative. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Facilitator.

**ISSUE**

Did the Department properly deny Claimant's Medicaid application based on a failure to comply with verification requirements?

**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 January 24, 2014, the Claimant applied for Medicaid with Advomas as the Authorized Representative.
2. Other person(s) in Claimant's home had an active case with the Department.
3. The Department's computer system processed Claimant's Medicaid application under the name of the head of household for the active benefits case.
4. On January 29, 2014, a Verification Checklist was issued in the name of the head of household in the Department's computer system and did not contain Claimant's name. Verifications were to be provided by the February 10, 2014 due date.
5. On February 1, 2014, a Verification Checklist was issued in Claimant's name to provide the requested verifications by the February 11, 2014 due date.

6. The Department denied Claimant's Medicaid application because the requested verifications were not returned.
7. On May 15, 2014 a request for hearing contesting the Department's actions was filed on Claimant's behalf.
8. On May 19, 2014, the Department issued a Benefit Notice stating Medicaid was denied due to a failure to provide verification of income.

### **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.

Additionally, a Claimant must cooperate with the local office in determining initial and ongoing eligibility, including completion of necessary forms, and must completely and truthfully answer all questions on forms and in interviews. BAM 105.

An Authorized Representative assumes all the responsibilities of a client. BAM 105 and 110.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level as well as when information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. Verifications are considered timely if received by the date they are due. The Department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. The Department worker must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if the client needs and requests help. For MA, if the client cannot provide the verification despite a reasonable effort, the time limit can be extended up to three times. If neither the client nor the Department can obtain verification despite a reasonable effort, the Department worker should use the best available information. If no evidence is available, the Department worker is to use their best judgment. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130.

Notice of case actions are to be issued in accordance with BAM 220.

On January 29, 2014, a Verification Checklist was issued in the name of the head of household in the Department's computer system from an active benefits case. Verifications were to be provided by the February 10, 2014 due date. The Department indicated a copy of the January 29, 2014, Verification Checklist was mailed to the Authorized Representative on January 30, 2014. (Exhibit A, page 29) It is not clear why the Department would have mailed the copy to the Authorized Representative the day after it was mailed to Claimant's home. Further, the Authorized Representative credibly testified his office did not receive a copy of any verification checklist for this Medicaid application. Lastly, the January 29, 2014 Verification Checklist did not contain Claimant's name or indicate which Medicaid application the verifications were requested for. Accordingly, it is not clear from the January 29, 2014, Verification Checklist whose income information was needed.

On February 1, 2014, a Verification Checklist was issued in Claimant's name to provide the income verifications for Claimant by the February 11, 2014 due date. The Department presented no evidence that a copy of this Verification Checklist was issued to the Authorized Representative.

Additionally, there was no evidence any Notice of Case Action was issued regarding the denial of the Medicaid application before the May 15, 2014 request for hearing was filed nor that the May 19, 2014 Benefit Notice was issued to the Authorized Representative.

The Department did not follow the BAM 105, 130 and 220 policies regarding authorized representatives, requesting verifications, and issuing notice of case actions.

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 denied Claimant's Medicaid application based on a failure to comply with verification requirements.

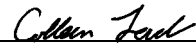
### **DECISION AND ORDER**

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. Re-instate Claimant's January 24, 2014 Medicaid application with the Authorized Representative.

2. Re--determine Claimant's eligibility for Medicaid, to include requesting any verification(s) still needed, in accordance with Department policy.
3. Issue written notice of any case actions in accordance with Department policy.



Colleen Lack  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **7/31/2014**

Date Mailed: **7/31/2014**

CL/hj

**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:

