

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-010093  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: October 21, 2014  
County: Wayne (82) (Adult Medical)

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

**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 October 21, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], Regional Manager for [REDACTED]. Claimant did not participate. Participants on behalf of the Department of Human Services (Department) included Family Independence Manager [REDACTED] and Assistance Payments Worker [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's application for Medical Assistance (MA)?

**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 on February 28, 2014 [REDACTED]
2. On March 6, 2014, the Department mailed a verification checklist (VCL) to Claimant, with a due date of March 17, 2014.
3. On March 18, 2014, a second application was submitted [REDACTED] – the case at hand).
4. When the Claimant did not respond to the VCL, the Department denied the application [REDACTED] on April 2, 2014.
5. On July 21, 2014, the Department denied Claimant's second application. Case [REDACTED].

6. On July 29, 2014, Claimant submitted a third application.
7. On July 31, 2014, the Department received Claimant's 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), and Department of Human Services Reference Tables Manual (RFT).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

BAM 115 (7/1/14) identifies the "standard of promptness" which is the time period in which the Department is to act on applications for benefits.

#### **SDA, RCA, RMA, CDC and MA Only**

Certify program approval or denial of the application within 45 days. Bridges automatically generates the client notice.

#### ***Exceptions:***

- 15 days for all pregnant Medicaid applicants.
- 30 days for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) applicants.
- 60 days for SDA applicants.
- 90 days for MA categories in which disability is an eligibility factor.

The SOP can be extended 60 days from the date of deferral by the Medical Review Team.

#### **MA Only**

The SOP for an **initial asset assessment** begins the date the local office receives a signed DHS-4574-B, Assets Declaration. Complete the assessment and mail the client and spouse a notice within 45 days; see BEM 402. BAM 115 at 15.

The Department was to have processed the March 18, 2014, application within 45 days. A decision should have been mailed to the applicant by May 1, 2014.<sup>1</sup> A Health Care Coverage Determination Notice was mailed on April 2, 2014, in response to the February application. It informed the Claimant she was welcome to reapply and request retro Medicaid. It also stated she was not denied for lack of income; she was denied because she had not verified the value of a life insurance policy with [REDACTED].

---

<sup>1</sup> It appears that the application received March 18, 2014 was a photocopy of the application received February 28, 2014. See Exhibits 1 and 4.

The Department eventually learned that the life insurance had a cash value of approximately [REDACTED].

Claimant was ultimately approved for MA because of her third application, but that happened after she had accrued a balance of approximately [REDACTED] at her nursing home. The Department did not tell Claimant she was not approved for MA in response to the March application until July 21, 2014.

On May 7, 2014, the Claimant's nursing home sent an email to the Department inquiring about the status of her application. (Exhibit 6 Page 6a.) The Department responded that the application had been denied, and another application was expected.


Exhibit 7, Page 7b suggests that a denial of the second application was certified on March 19, 2014, but the Department conceded that the notice did not go to the Claimant until July 21, 2014. That is far beyond the SOP for processing the application. When that notice was mailed, she was told the application was denied because she "failed to verify or allow the Department to verify information necessary to determine eligibility for this program." Exhibit 8, Page 8c.

BEM 400, at p. 7, establishes a maximum of [REDACTED] in countable assets for an individual applicant, and [REDACTED] for a couple, to be eligible for MA. At the time of her application, the cash value of the life insurance [REDACTED] exceeded the allowable limit. Even if the Department had properly processed her application, she would not have been eligible due to excess assets. Furthermore, the value of the asset was not timely verified.

The Administrative Law Judge, based upon 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.

### **DECISION AND ORDER**

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

  
**Darryl Johnson**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **10/27/2014**

Date Mailed: **10/27/2014**

DJ / jaf

**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:

