

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

**IN THE MATTER OF:**

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████████████████████  
████████████████████

Reg. No.: 2014-27654  
Issue No(s): 2001  
Case No.: ██████████  
Hearing Date: October 15, 2014  
County: Wayne (82-19)

**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, an in-person hearing was held on October 15, 2014, from Inkster, Michigan. Participants on behalf of Claimant included Claimant; ██████████

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████████████████████ Participants on behalf of the Department of Human Services (Department) included ██████████  
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**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) case effective March 1, 2014?

**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 was an ongoing recipient of MA based on her receipt of Supplemental Security Income (SSI).
2. Claimant stopped receiving regular recurring SSI payments in 2013.
3. On February 3, 2014, the Department sent Claimant a Notice of Case Action notifying her that it was closing her MA case effective March 1, 2014, because she was not under 21, pregnant, or the caretaker of a minor child in the home and was not over age 65, blind or disabled.

4. On February 10, 2014, Claimant filed a request for hearing 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.

On February 3, 2014, the Department notified Claimant that her MA case was closing because she was not under 21, pregnant, or the caretaker of a minor child in the home and was not over age 65, blind or disabled. At the hearing, the evidence established that Claimant had been receiving MA coverage because she was an SSI recipient. See BEM 150 (January 2014), p. 1. The Department testified that Claimant's MA-SSI case closed after the Social Security Administration (SSA) terminated her SSI payments.

SSI recipients who are Michigan residents receive MA-SSI coverage for the duration of SSI eligibility. BEM 150, p. 6. When SSI benefits stop, the Department evaluates the reason based on SSA's negative action code, then either closes the MA-SSI case if SSI stopped for a reason that prevents continued MA eligibility (such as death or lack of Michigan residency) or transfers the client's MA case to SSIT type of assistance until a redetermination is completed to allow for an *ex parte* review of Claimant's eligibility for other MA categories. BEM 150, p. 6; BAM 220 (January 2014), p. 16.

During the *ex parte* review, the Department must consider the client's eligibility for coverage under all MA categories. BEM 150, p. 7. When the *ex parte* review shows that a client may have continuing eligibility under another category but there is not enough information in the case record to determine continued eligibility, the Department must send the client the DHS-1171 Assistance Application and DHS-3503 Verification Checklist, marked with all verifications required for MA. BEM 150, p. 7; BAM 220, p. 17. When the *ex parte* review shows that a recipient does have eligibility for MA under another category, the Department must change the coverage. BAM 220, p. 17. If the *ex parte* review reveals the recipient has already been determined disabled for purposes of qualifying for a disability-based MA eligibility category by the SSA or the Department, and the determination is still valid, the Department must continue the recipient's MA eligibility under the disability-based MA category for which the recipient is otherwise eligible. BAM 220, p. 18. If SSI eligibility based on disability is terminated

due to financial factors, the Department **must continue** medical eligibility for MA, though the client must meet all financial and other nonfinancial factors for SSI-related MA categories, the categories for disabled individuals. BEM 260 (July 2013), p. 1; BEM 105 (January 2014), p. 1; BAM 815 (July 2013), pp. 2-3. In such case, a medical review is scheduled 12 months from the date of SSI termination. BAM 815, p. 3.

In this case, Claimant acknowledged that her SSI was terminated but explained that the termination was due to financial reasons, specifically her household's increased income due to her husband's military pension, and was not due to a finding by SSA that she was no longer disabled. She presented an October 16, 2013, letter from SSA supporting her testimony. The Department acknowledged that it did not conduct an *ex parte* review of Claimant's MA eligibility before terminating her MA coverage.

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 closed Claimant's MA case.

### **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. Reinstate Claimant's full-coverage MA effective March 1, 2014;
2. Provide Claimant with such coverage from March 1, 2014, ongoing.



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

Date Signed: October 20, 2014

Date Mailed: October 20, 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/pf

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]