

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-010483
Issue No.: 2002
Case No.: [REDACTED]
Hearing Date: October 30, 2014
County: DHS SSPC-WEST

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 three-way telephone hearing was held on October 30, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Claimant's sister and guardian, [REDACTED]. Claimant did not participate. Participants on behalf of the Department of Human Services (Department) included Hearings Facilitator [REDACTED].

ISSUE

Due to a failure to comply with the verification requirements, did the Department properly deny Claimant's application for Medical Assistance (MA)?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, including testimony of witnesses, finds as material fact:

1. Claimant applied for MA benefits on June 18, 2014.
2. A Verification Checklist (VCL) was mailed to Claimant with a due date of June 30, 2014.
3. Claimant submitted three pay stubs.
4. On July 15, 2014, a second VCL was mailed to Claimant requesting verification of 30 days of wages, and her checking account, with a due date of July 25, 2014.
5. The Department received Claimant's hearing request on August 4, 2014

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 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.

Per BEM 150, p 1 (1/1/14), "Ongoing MA eligibility begins the first day of the month of SSI entitlement. Some clients also qualify for retroactive (retro) MA coverage for up to three calendar months prior to SSI entitlement; see BAM 115." Per BAM 115 p 11 (7/1/14),

"Retro MA coverage is available back to the first day of the third calendar month prior to:

- The current application for FIP and MA applicants and persons applying to be added to the group.
- The most recent application (not renewal) for FIP and MA recipients.
- For SSI, entitlement to SSI."

"Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes completion of necessary forms; see Refusal to Cooperate Penalties in this item. Clients must completely and truthfully answer all questions on forms and in interviews." BAM 105.

Per BAM 130, at page 6, says:

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or Mi Bridges document upload), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.

Send a negative action notice when:

The client indicates refusal to provide a verification, **or**

The time period given has elapsed and the client has **not** made a reasonable effort to provide it.

The issue is whether the Claimant provided timely verification in response to the request.

The Department received copies of Claimant's pay stubs from her work at [REDACTED].

Check Date	Hours/Pieces	Gross Wages	Net Pay	Year-to-Date Gross
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The Department also received copies of pay stubs from her work at [REDACTED].

Check Date	Hours/Pieces	Gross Wages	Net Pay	Year-to-Date Gross
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

The testimony indicated Claimant also receives approximately [REDACTED] per month in Social Security, which is disbursed to her by deposit onto a debit card that she can use for transactions. There is no bank account from which Claimant's guardian can obtain a printout to show the transactions or the balances.

In a Health Care Coverage Determination Notice dated [REDACTED], (Exhibit 1 Pages 14-15) the Department informed Claimant that she was not eligible for MA because "Income exceeds the limit for this program. Case not eligible." Also, "You did not give proof of income to your local DHS office asked for." The Department calculated her income to be [REDACTED], which exceeded the limit of [REDACTED] for a group of 1 between the ages of 19 and 64.

Claimant provided copies of three bi-weekly pay stubs from which the Department could calculate her income with each employer. Her pay stubs from [REDACTED] show that she had gross income of [REDACTED] during June, and her pay stubs from [REDACTED] show that she had gross income of [REDACTED] there during June. Because the pay stubs reflect her earnings for the first six months of the year, it is readily discernable that her average monthly income was [REDACTED], and [REDACTED] at [REDACTED]. Her average earned income was [REDACTED], and if that is combined with her Social Security income, she has income of approximately [REDACTED] per month, or [REDACTED] per year. However, the Department did not provide proof of her Social Security income; the only testimony was that she was receiving approximately [REDACTED] per month. If her Social Security income is [REDACTED] or less, she would be within the income limits. Furthermore, she provided sufficient information for the Department to determine her income.

With respect to the amount in her "bank account" the Claimant's witness testified credibly that she has no means of obtaining a statement showing the activity and balance in the account. She has a debit card but does not receive monthly statements.

For all programs, when it comes to verification, BAM 130 states, "The client must obtain required verification, but you must assist if they need and request help.

"If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If no evidence is available, use your best judgment."

The Claimant's agent had made a reasonable effort to comply with the verification requests. She provided copies of her pay stubs. She had no means of verifying the balance on the Social Security debit card.

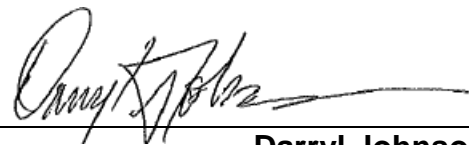
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department did not act in accordance with Department policy when it denied Claimant's MA.

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. The Department shall initiate the recertification and reprocessing of Claimant's application for MA benefits effective June 1, 2014.



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

Date Signed: **11/7/2014**

Date Mailed: **11/7/2014**

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:

