

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-000798  
Issue No.: 2001  
Case No.: [REDACTED]  
Hearing Date: May 8, 2014  
County: Jackson

**ADMINISTRATIVE LAW JUDGE: Darryl T. 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 May 8, 2014, from Lansing, Michigan. Participants on behalf of Claimant included Claimant, and [REDACTED] from [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Assistance Payments Supervisor [REDACTED], and Eligibility Specialist [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's application for retro-active Medicaid (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. On March 14, 2011, Claimant applied for retro-active Medicaid, and listed on the application motor vehicles including a [REDACTED]. (Exhibit 1 Page 5.)
2. On January 31, 2013, Claimant applied again for retro-active Medicaid, and listed on her application motor vehicles, but did not list the [REDACTED], and did not identify it as an asset she had disposed of within the preceding 60 months. (Exhibit 1 Page 3.)
3. In October 2012, Claimant and her husband traded in the [REDACTED] for another vehicle, and owed more on the [REDACTED] than they received in trade.
4. On February 13, 2013, the Department mailed to Claimant a Verification Checklist (Exhibit 1 Page 7) requesting verification of a number of assets including "vehicle value."

5. On January 10, 2014, the Department mailed to Claimant a Notice of Case Action (Exhibit A Pages 60-61) informing her that her application was denied because “The value of your countable assets is higher than allowed for this program.”
6. The Department denied Claimant’s application for failure to verify the ownership and value of the [REDACTED], and not because of excess assets.
7. On March 28, 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), 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.

“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 cooperated, or made a reasonable effort to cooperate, with the Department in determining her eligibility. The Department did not

inform Claimant that there was an issue with the Dodge Caliber. The Department believed that Claimant had a responsibility to either provide the value of the car in the application, or state what had happened, yet there is no correspondence to indicate Claimant was made aware that she needed to provide this information. Claimant had prepared her original application, and then [REDACTED] prepared the subsequent application. Claimant thought that, since she owed more on the [REDACTED] than she received as a trade-in, it was a liability rather than an asset. Furthermore, the Department told Claimant her application was denied for exceeding the asset limit, and not for failure to verify the status of the [REDACTED]

The Department did not provide Claimant with appropriate instructions for her to follow. It cannot expect her to comply with instructions she did not receive.

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 application for retroactive MA benefits.

### **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. Redetermine Claimant's MA benefit eligibility, retroactive to November 2013;
2. Issue a supplement to Claimant for any benefits improperly not issued.



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

Date Signed: **5/14/2014**

Date Mailed: **5/14/2014**

DTJ / las

cc:

[REDACTED]

