

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

IN THE MATTER OF:

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

Reg. No.: 14-000950
Issue No.: 2001
Case No.: ██████████
Hearing Date: June 11, 2014
County: Genesee-District 2 (McCree)

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 June 11, 2014 from Lansing, Michigan. Participants on behalf of Claimant included ██████████ (Authorized Hearing Representative (AHR) from ██████████). Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████ (Hearing Facilitator).

ISSUE

Did the Department properly deny Claimant's applications for Medical Assistance (MA) or "Medicaid" and Retroactive Medicaid?

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 July 18, 2013, Claimant signed an Authorization to Represent, which authorized ██████████ to represent him for purposes of establishing Medicaid coverage.
2. On October 31, 2013, the Department's Macomb County (Mt. Clemens) district office received the following from ██████████ on behalf of Claimant: an enclosure letter¹ dated October 29, 2013, Facility Admission Notice (admitted: 7/7/13 – discharged: 7/11/2013), Facility Admission Notice (admitted: 7/16/13 – discharged: July 18, 2013), Filing Form (DHS-1171-F) dated 10/29/13, which was submitted on behalf of Claimant and indicated Claimant was applying for MA, a

¹ The letter was addressed to "Intake Worker Genesee County/Clio District" and indicated that McLaren-Flint has asked [L&S] to assist Claimant with a Medicaid application to cover a July, 2013 hospital bill. The letter was signed by Christine Torres, Authorized Representative.

Release of Information signed by Claimant on 7/18/13, and Authorization to Represent signed by Claimant on 7/18/13.

3. On November 19, 2013, Claimant signed an Authorization for Patient Representation, which authorized [REDACTED] to represent him for purposes of Medicaid coverage.
4. On January 8, 2014, the Department's Macomb County (Mt. Clemens) district office forwarded the items received from [REDACTED] on October 31, 2013 to Genesee County-McCree district office.
5. On January 8, 2014, the Department mailed both Claimant and [REDACTED], separately, a Verification Checklist (DHS-3503) which requested Claimant provide proof of vehicle value or proof of amount owed by January 21, 2014. The DHS-3503 also contained a comment which indicated that the Department also requested Claimant complete an application and an authorization form to allow [REDACTED] to apply for Medicaid benefits on his behalf as the one supplied was 6 months old. According to the comment section, the due date for the application and the DHS authorization to represent forms were due by January 21, 2014.
6. On January 8, 2014, the Department mailed Claimant a Medical Determination Verification Checklist (DHS-3503-MRT) which requested that Claimant provide a copy of a DHS-1555 or DHS-1555-E Authorization to Release Protected Health Information by January 21, 2014. The DHS-3503-MRT also indicated that the authorization provided was 6 months old.
7. On January 10, 2014, the Department's Genesee County-Clio Road district office received Claimant's Assistance Application (DHS-1171) signed on 11/19/13 and Retroactive Medicaid Application (DHS-3243) (no signature date indicated) which sought MA coverage for November, 2013 and December, 2013.
8. On January 14, 2014, the Genesee County-McCree district office received Claimant's Assistance Application (DHS-1171) signed on 11/19/13 and Retroactive Medicaid Application (DHS-3243) (no signature date indicated) which sought MA coverage for November, 2013 and December, 2013.
9. On January 20, 2014, [REDACTED] sent the Department a letter via facsimile which indicated that [REDACTED] was attempting to complete an 1171 for Claimant and that the information would be forwarded to the Department as soon as it is received. In the letter, [REDACTED] Associates requested an extension to provide verifications and recommended January 31, 2014 as the new due date.
10. On January 24, 2014, the Department mailed Claimant a Notice of Case Action (DHS-1605) which denied Claimant's application for Medicaid for the period of October 1, 2013 – ongoing. The reason for the intended action was that verification of vehicle value was not returned. The DHS-1605 "Comments from Your Specialist about This Notice" section provided the following, "Due to the fact that you did not provide the requested verifications and a current application your application has been denied. Please feel free to reapply."

11. On January 24, 2014, the Department mailed Claimant a Quick Note (DHS-100) which indicated, "The filing form your [sic] dropped off on 10.31.2013 is no longer valid since we never received an actual application. This application was requested from you and the client on 01.08.2014 and was due back no later than 01.21.2014. As you are aware, we cannot grant extensions for application. Therefore, this filing form [sic] invalid. If you do receive an application, please feel free to reapply."
12. On January 27, 2014, the Department mailed Claimant a Medical Determination Verification Checklist (DHS-3503-MRT) which requested Claimant provide the Department with a copy of the following items: DHS-0049 (Medical Examination Report), DHS-0049-F Medical Social Questionnaire, DHS-1555 or DHS-1555-E Authorization to Release Protected Health Information and DHS-0049-G Activities of Daily Living. The proofs were due by February 6, 2014.
13. On March 28, 2014, the Department received [REDACTED]' request for hearing which challenged the denial of the extension request and denial of the filing form.

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.

An application **or** filing form, whether faxed, mailed or received from the internet must be registered with the receipt date, **if** it contains at least the following information:

- Name of the applicant.
- Birth date of the applicant [not required for the Food Assistance Program (FAP)].
- Address of the applicant (unless homeless).
- Signature of the applicant/authorized representative.

An application/filing form with the minimum information listed above must be registered in Bridges using the receipt date as the application date even if it does not contain enough information needed to determine eligibility; see Bridges Administrative Manual (BAM) 110. BAM 105, p. 1 (1-1-2014)

If an application/filing form does not contain the minimum information listed above, send it back to the client along with a DHS-330, Notice of Missing Information, informing the client of the missing information. BAM 105, p. 1 (1-1-2014)

Persons who cannot complete the entire application should complete the DHS-1171, Filing Form, to protect their application date. BAM 105 lists the minimum information to file an application. BAM 110, p. 1 (1-1-2014).

An application or filing form, with the minimum information, must be registered on Bridges **unless** the client is already active for that program. BAM 110, p. 7 (1-1-2014).

When an application is pending and additional application(s) are received prior to certification of the initial application, do **not** automatically deny the application(s). Do the following:

- Review the information for impact on eligibility and benefit level.
- Ensure the case record is documented with the additional application(s) received and note the application(s) used to determine eligibility and/or benefit levels.
- Attach the additional application(s) to the initial application. BAM 110, p. 8 (1-1-2014).

All applications, redeterminations, referrals, initial asset assessments, member adds and program adds must be registered on Bridges. BAM 110, p. 18 (1-1-2014).

For the MA program, allow the client 10 calendar days (or other time limit specified in policy) to provide the verification you request. Refer to policy in this item for citizenship verifications. If the client cannot provide the verification despite a reasonable effort, extend the time limit up to three times. BAM 130, p. 7 (1-1-2014).

The sequence of events giving rise to the instant matter is fairly complicated. The Department takes the position that the Filing Form and authorized representative forms submitted by ██████████ on October 31, 2013 did not warrant an extension because it was not accompanied by an assistance application (DHS-1605). The Department maintains that it mailed Claimant a new assistance application and a new authorization to represent form to ensure that ██████████ was authorized to represent Claimant with a due date of January 21, 2014. The Department contends that because these verifications were not returned by the due date, the Department properly denied the “application” from ██████ received on October 31, 2013. The Department also asserts that because it received an assistance application from ██████████ alth along with an authorization to represent, the ██████ “application” was null and void. Instead, the Department elected to process the application received from ██████████ and indicates that on January 28, 2014, it mailed verifications to ██████████, but these verifications were never returned.

██████████, on the other hand, contends that the Filing Form submitted on October 31, 2013 was an “incomplete application” as defined by BAM 115 as it contains the

name, birth date, address and signature, which is the minimum information required for registering an application. [REDACTED] further argues that BEM 115 which provides, "Do not deny an incomplete application until 10 calendar days from the 'request' in writing to the applicant to complete the application form or supply missing information." This policy provision, according to [REDACTED], is tantamount to an instruction to the department caseworker that they are prohibited from denying an application before 10 days have lapsed but it does not prevent the caseworker from granting three Medicaid application verification extensions as governed by BAM 130. [REDACTED] argues that after the Department received the incomplete "application" it properly mailed a verification checklist. Because the verification process had been initiated, [REDACTED] contends that all extension allowances should be honored per BAM 130. [REDACTED] submits that the Department, in September 24, 2013, previously denied an application submitted on Claimant's behalf and that application remains valid and should be properly updated.

Testimony and other evidence must be weighed and considered according to its reasonableness. *Gardiner v Courtright*, 165 Mich 54, 62; 130 NW 322 (1911); *Dep't of Community Health v Risch*, 274 Mich App 365, 372; 733 NW2d 403 (2007). The weight and credibility of this evidence is generally for the fact-finder to determine. *Dep't of Community Health*, 274 Mich App at 372; *People v Terry*, 224 Mich App 447, 452; 569 NW2d 641 (1997). Moreover, it is for the fact-finder to gauge the demeanor and veracity of the witnesses who appear before him, as best he is able. See, e.g., *Caldwell v Fox*, 394 Mich 401, 407; 231 NW2d 46 (1975); *Zeeland Farm Services, Inc v JBL Enterprises, Inc*, 219 Mich App 190, 195; 555 NW2d 733 (1996).

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. Initially, it should be noted there is no record evidence that [REDACTED] filed an application prior to October 31, 2013. Thus, Claimant's argument that the Department is required to "update" the previous application is without merit.

The salient issue; however, concerns whether the Department properly processed Claimant's Filing Form (DHS-1171-F) which was received by the Macomb County Department local office on October 31, 2013. The answer is no. This Administrative Law Judge agrees with Claimant's AHR that department policy allows the Department to process the Filing Form (DHS-1171-F) because it contains the minimum information required. See BAM 110, p. 1. The Department should have, but failed, to promptly forward the Filing Form from Macomb County to Genesee County. Here, the record shows that the Department received the filing form on October 31, 2013 and forwarded it to Genesee County on January 8, 2014. Further, the Department erred when it found that the July 18, 2013 signed authorization to represent provided by [REDACTED] was invalid because it was "6 months old." This authorization was valid. The Department should not have requested another authorization on January 8, 2014. Plus, the November 19, 2013 authorization provided by Accretive Health did not take precedence over the earlier authorization provided by [REDACTED] from July 18, 2013. There was no basis for the Department's decision to invalidate the October 31, 2013 Filing Form. Here, the Department had received a valid authorization from [REDACTED]s and it had a complete Filing Form which included the minimum information

(i.e., name of applicant, address and signature. The Department should have used this information to register the application and then take steps to obtain necessary verifications according to policy. The Department should have also granted [REDACTED] with an extension to obtain the requested verifications.

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 processed Claimant's application and/or filing form received on October 31, 2013.

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 register and reprocess the application and/or filing form back to the date of receipt which was on October 31, 2013.
2. Only to the extent required by policy, the Department shall provide Claimant with retroactive and/or supplemental benefits.

IT IS SO ORDERED.



C. Adam Purnell
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **6/26/2014**

Date Mailed: **6/26/2014**

CAP/sw

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.

