

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-010257  
Issue No.: 2002  
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], Business Office Manager, and [REDACTED], Business Office Assistant, both of [REDACTED]. Claimant did not participate. Participants on behalf of the Department of Human Services (Department) included Eligibility Specialist [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.
2. Claimant was required to submit requested verification by August 7, 2014.
3. On August 6, 2014, the Department denied Claimant's application and sent Claimant's Authorized Representative (AR) notice of its action.
4. On August 15, 2014, Claimant's Authorized Hearing Representative (AHR) filed a hearing request, protesting the Department's action.

## 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.

The Department mailed the VCL and Claimant did not respond by the deadline. “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.

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 issue is whether the Claimant provided timely verification in response to the request. The evidence is persuasive that the VCL was mailed to the Claimant at her address of record. Three extensions were granted. The evidence also establishes that the Claimant did not fully respond by the extended deadline. The critical point that led

to the denial was that there was a bank account for which the Department had not received a copy of a bank statement showing the account was owned by Claimant. Exhibit 1 Page 7 is a screen shot of Claimant's bank activity for the account in question. It shows the transactions in the account, it identifies it as a [REDACTED] bank account, and it gives the last four numbers of the account as [REDACTED].

In the VCL mailed July 9, 2014, the Department mentioned it needed a letter from Claimant's doctor, a copy of her "social card or something verifying the number and please verify all income and asset for 03/14 thru current date." (Exhibit 1 Pages 11-12.) The VCL mailed July 18, 2014, made a nearly identical request. (Exhibit 1 Pages 13-14.) The VCL mailed July 28, 2014, was different. It stated, "SSA records a different name for customer please send verification of customer birth and all income and asset. Please send a letter from Social Security with the explanation of benefits." (Exhibit 1 Page 15.) None of these notices made particular reference to the opinion by the Department that the printout for the [REDACTED] account was inadequate. Ultimately, the Claimant's agent provided a copy of a [REDACTED] statement which showed her name, the account number, and the balance in the account. It also showed another account that had [REDACTED] in it. That statement arrived, however, on August 8, 2014, the day after the deadline. Meanwhile, the Department had mailed a notice to Claimant on August 6, 2014, – the day before the deadline – denying her application.

The Department acted prematurely in denying the application. Claimant had until August 7, 2014, to provide the necessary verification. Furthermore, the Claimant's agent had made a reasonable effort to comply with the verification requests. They had provided a copy of the Chase screen shot, showing the activity in the account, and the account number. The Department should have been more specific in its instructions in the follow-up VCLs by explaining where the short-coming was. In processing the application they should have used the best available information. Had they done that, they could have approved her benefits. Instead, the application was denied before the deadline, and that is where the Department erred a second time.

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.

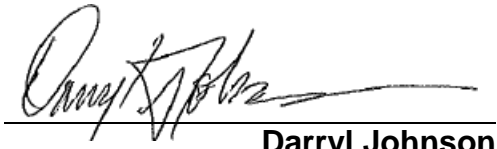
### **DECISION AND ORDER**

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. Redetermine Claimant's MA benefit eligibility, as of June 27, 2014, including her eligibility for retroactive MA;

2. Issue a supplement to Claimant for any benefits improperly not issued, including retroactive MA.



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

Date Signed: **10/22/2014**

Date Mailed: **10/22/2014**

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:

