

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-013035
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: January 22, 2015
County: Macomb (36) Sterling Hgts

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 January 22, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included Hearings Facilitator [REDACTED].

ISSUE

Did the Department properly deny Claimant's application for 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 June 12, 2014, the Department mailed to Claimant a Verification Checklist (Exhibit 1 Page 27) with a due date of June 24, 2014.
2. Claimant provided the Department with verification of an account with [REDACTED] Bank, which showed an ending balance of \$ [REDACTED] as of [REDACTED], an amount which included a deposit from the Social Security Administration of \$ [REDACTED].
3. On June 24, 2013, the Department notified Claimant that his application was denied due to excess assets. (Exhibit 1 Page 20.)

4. On August 14, 2013, Claimant applied for MA, including retroactive MA, for the months of May, June, July, and August 2013. (Exhibit 1 Page 29.)
5. On August 28, 2013, [REDACTED] submitted another application for Claimant.
6. On September 23, 2013, the Department informed Claimant that he was approved for MA beginning August 1, 2013, with a monthly deductible of \$ [REDACTED] (Exhibit 1 Page 10.) That notice went to Claimant. It did not go to [REDACTED]. It did not provide retro MA.
7. On July 19, 2014, the Department notified [REDACTED] via email that the application was denied because of excess assets in the bank account.
8. The Department received Claimant's hearing request on September 17, 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), 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 the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

BAM 115 (7/1/14) identifies the "standard of promptness" which is the time period in which the Department is to act on applications for benefits.

SDA, RCA, RMA, CDC and MA Only

Certify program approval or denial of the application within 45 days. Bridges automatically generates the client notice.

Exceptions:

- 15 days for all pregnant Medicaid applicants.
- 30 days for Refugee Cash Assistance (RCA) and Refugee Medical Assistance (RMA) applicants.
- 60 days for SDA applicants.
- 90 days for MA categories in which disability is an eligibility factor.

The SOP can be extended 60 days from the date of deferral by the Medical Review Team.

MA Only

The SOP for an **initial asset assessment** begins the date the local office receives a signed DHS-4574-B, Assets Declaration. Complete the assessment and mail the client and spouse a notice within 45 days; see BEM 402. BAM 115 at 15.

The Department was to have processed the August 18, 2013, application within 45 days. A decision should have been mailed to the applicant (and his authorized representative) by October 1, 2013. A Health Care Coverage Determination Notice was mailed on June 24, 2013. It informed the Claimant he was denied because he had excess assets.

The Department did not issue a decision on the application until July 9, 2014, and that decision denied the request for retro MA. That is far beyond the SOP for processing the application.

BEM 400, at p. 7, establishes a maximum of \$ [REDACTED] in countable assets for an individual applicant, and \$ [REDACTED] for a couple, to be eligible for MA. At the time of his application, he had assets greater than \$ [REDACTED]. However, BEM 400 (7/1/14) at 20 instructs the Department, "Do not count funds treated as income by a program as an asset for the same month for the same program." Claimant had received \$ [REDACTED] in Social Security income in April 2013, and that was part of the \$ [REDACTED] he had in his bank account when he verified the balance in that account. The Social Security should have been subtracted from his bank balance, and he would have been left with an asset of \$ [REDACTED]. That amount is far below the \$ [REDACTED] maximum. He should have been approved for retro MA.

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 did not timely process the [REDACTED] application for MA, and when it denied the application due to excess assets.

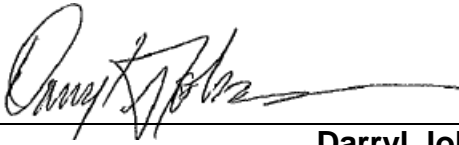
DECISION AND ORDER

Accordingly, the Department's decision regarding Claimant's MA 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. Reregister Claimant's August 28, 2013, MA application;
2. Begin reprocessing the application to determine if all other non-medical criteria, are satisfied and notify Claimant of its determination; and

3. Provide Claimant with MA coverage if he is eligible to receive from May 2013 ongoing.



Darryl Johnson
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **1/26/2015**

Date Mailed: **1/26/2015**

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 48909-8139

cc:

