

3. On March 4, 2014, the Department indicated that verifications were not returned; therefore, the Department denied Claimant's application on April 7, 2014, for failure to comply with the verification requirements. See Exhibit 1, p. 1. The Department failed to send either Claimant or the AHR a Notice of Case Action notifying them of the denial. See Exhibit 1, p. 1.
4. On an unspecified date, the Department acknowledged that it did not properly process Claimant's application. See Exhibit 1, p. 1.
5. On October 24, 2014, Claimant's AHR filed a hearing request, protesting the Department's failure to process the MA application. See Exhibit A, p. 1.

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.

Any person, regardless of age, or his/her authorized representative (AR) may apply for assistance. BAM 110 (January 2014), p. 4. The Department must register a signed application or filing form, with the minimum information, within one workday for all requested programs. BAM 110, p. 19.

The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information. BAM 115 (January 2014), p. 14. For MA applications, the Department certifies the program approval or denial of the application within 45 days. BAM 115, p. 15. However, there are exceptions to these benefits programs for processing times, which are described as follows: 90 days for MA categories in which disability is an eligibility factor. BAM 115, p. 11. The SOP can be extended 60 days from the date of deferral by the Medical Review Team. BAM 115, p. 15.

Moreover, if the group is ineligible or refuses to cooperate in the application process, the Department must certify the denial within the standard of promptness and also send a DHS-1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s). BAM 115, p. 22. Medicaid and Adult Medical Program (AMP) denials receive a DHS-1606, Health Care Coverage Determination Notice. BAM 115, pp. 22-

23. If approved, the Department sends the DHS-1605 detailing the approval at certification of program opening. BAM 115, p. 23. The Department sends the DHS-1606 detailing Medicaid approvals. BAM 115, p. 23.

In this case, the Department acknowledged two main errors in processing Claimant's application.

First, the Department failed to send Claimant's AHR the VCL (Form – DHS 1004) request. The AR (who is also the AHR in this case) assumes all the responsibilities of a client. BAM 110, p. 9. To establish the client's eligibility, the AR must be familiar enough with the circumstances to complete the application, answer interview questions, and collect needed verifications. BAM 110, p. 9. Claimant's AHR provided the proper documentation to be the authorized representative at the time of application. See Exhibit A, pp. 2-27 and Exhibit 1, pp. 5-26. As such, the Department failed to send the VCL to the authorized representative in accordance with Department policy. BAM 110, p. 9.

Second, the Department failed to send both Claimant and the AHR a DHS-1606, Health Care Coverage Determination Notice, which would notify both of them the outcome of the application. BAM 115, pp. 22-23. The Department acknowledged this error. See Exhibit 1, p. 1.

Additionally, the Department indicated that it appeared to re-register Claimant's application and provided a program request – summary showing the application was approved and/or requested for Claimant and her group members. See Exhibit 1, p. 27. In fact, the Department testified that certain benefit periods were approved and that it currently had an outstanding help desk ticket. However, the Department failed to provide an Eligibility Summary/Medicaid Summary showing that coverage was active. Moreover, the Department failed to provide evidence of a Health Coverage Determination Notice issued after the Department alleged it re-registered the application. As such, the evidence presented that the Department failed to properly process Claimant's MA application in accordance with Department policy. See Exhibit 1, p. 1; BAM 110, pp. 4 and 19; and BAM 115, pp. 11-23. Therefore, the Department will re-register and reprocess Claimant's MA application in accordance with Department policy.

It should be noted that Claimant's Exhibit A contained an Assistance Application (DHS-1171) requesting MA benefits on December 31, 2013. See Exhibit A, pp. 8-27. However, the Department's Exhibit 1 contained an MA application (DCH-1426) signed on February 12, 2014. See Exhibit 1, pp. 5-26. A possible explanation for the subsequent application is that policy indicates that Claimants must apply for MA benefits using the DCH-1426 form, Application for Health Coverage & Help Paying Costs (all Medicaid categories). See BAM 110, p. 1 (Claimant's use the DHS-1171, Assistance Application for all programs except MA/AMP). Nonetheless, both parties did not dispute that the application was submitted on February 19, 2014, retroactive to December 2013. As such, this Administrative Law Judge (ALJ) will order the

Department to reprocess Claimant's application dated February 19, 2014, retroactive to December 2013.

DECISION AND ORDER

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 failed to properly process Claimant's MA application dated February 19, 2014, retroactive to December 2013.

Accordingly, the Department's MA 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. Initiate re-registration and reprocessing of Claimant's MA application (and group members) dated February 19, 2014, retroactive to December 2013;
2. Begin issuing supplements to Claimant and group members for any MA benefits they were eligible to receive but did not from December 1, 2013, ongoing; and
3. Begin notifying Claimant and Claimant's AHR of its MA decision in accordance with Department policy.


Eric J. Feldman
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: February 17, 2015

Date Mailed: February 17, 2015

EJF/cl

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:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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