

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014-17435
Issue No.: 2002
Case No.: [REDACTED]
Hearing Date: February 13, 2014
County: Wayne (35)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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, an in-person hearing was held on February 13, 2014, from Redford, Michigan. Participants included the above-named Claimant. [REDACTED] testified and appeared as Claimant's authorized hearing representative. Participants on behalf of the Department of Human Services (DHS) included [REDACTED] Specialist.

ISSUE

The issue is whether DHS properly terminated Claimant's Medical Assistance (MA) application due to a failure by Claimant to return requested verifications.

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 [REDACTED], Claimant submitted an application to DHS requesting MA benefits.
2. On [REDACTED] DHS mailed Claimant a Verification Checklist (VCL) requesting proof of disability and assets.
3. Claimant's due date to return proof of disability and assets was [REDACTED].
4. On [REDACTED], DHS received an application from Claimant's AHR requesting MA benefits on behalf of Claimant.

5. Claimant's AHR's application submission included multiple documents including a document appointing the AHR as Claimant's authorized representative (AR).
6. On [REDACTED], DHS denied Claimant's application due to an alleged failure to verify disability and assets.
7. DHS provided no verification requests or application denial notices to Claimant's AR.
8. On [REDACTED], Claimant's AHR (also Claimant's AR) requested a hearing to dispute the denial of Claimant's application dated [REDACTED].

CONCLUSIONS OF LAW

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. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant's AHR requested a hearing to dispute the failure by DHS to register Claimant's MA eligibility stemming from an application submitted to DHS on [REDACTED]. The first dispute was whether DHS received an application on [REDACTED].

DHS did not recognize an application submitted by Claimant on [REDACTED] in their Hearing Summary. Claimant's AHR presented a Medicaid Eligibility Hub (Exhibit 1). The AHR testified that a Medicaid Eligibility Hub is an internal AHR agency document used to verify the submission of documents to DHS. A DHS office date stamp of [REDACTED] was visible on the form. Claimant's AHR also presented the first page of an application (Exhibit 2) with a date stamp of [REDACTED]. DHS did not rebut Claimant's AHR's evidence. It is found that Claimant's AHR submitted an application to DHS on [REDACTED]. DHS noted that Claimant submitted an application requesting MA benefits only seven days earlier.

When an application is pending and additional application(s) are received prior to certification of the initial application, DHS is to not automatically deny the application(s). BAM 110 (7/2013), p. 8. DHS is to 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.

An implied requirement is that DHS examine an application for new information such as an authorized representative. In the present case, Claimant's second application included attached authorized representative documentation (see Exhibit 4).

An authorized representative (AR) is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf (for example, to obtain FAP benefits for the group). BAM 110 (1/2011), p. 7. The AR assumes all the responsibilities of a client. *Id.*, p. 8.

For all programs, DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (5/2012), pp. 2-3. DHS must give clients at least ten days to submit verifications. *Id.*, p. 3 DHS must tell the client what verification is required, how to obtain it, and the due date. *Id.*, p. 2. For MA benefits, if the client cannot provide the verification despite a reasonable effort, DHS is to extend the time limit up to three times. *Id.*, p. 2. DHS is to send a negative action notice when:

- the client indicates refusal to provide a verification, or
- the time period given has elapsed.

Id., p. 6.

Once DHS received notice that Claimant had an authorized representative, DHS should have mailed any request for verification to the AR. DHS did not provide any evidence that a VCL requesting proof of disability or assets was mailed to Claimant's AR. The presented case provides some excuse for the DHS failure because a VCL was mailed to Claimant on 7/18/13, four days before Claimant's AR/AHR submitted notice of Claimant representation to DHS.


DHS policy does not specifically address the circumstances of the present case. It is known that DHS should have mailed notice of the application denial to Claimant's AR because the denial occurred after DHS had notice of representation. DHS did not provide written notice of the application denial to Claimant's AR. Had DHS mailed notice of the application denial to Claimant's AR, it is reasonably possible that the verification dispute would have been resolved before the hearing. The DHS failure to provide a denial notice to Claimant's AR technically means that Claimant's application should still be pending. Under the facts of the present case, it is appropriate to order DHS to re-request proof of assets and/or disability from Claimant's AR/AHR. Accordingly, it is found that DHS erred by not re-requesting proof of Claimant's assets and/or disability from the authorized representative.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for MA benefits. It is ordered that DHS:

- (1) reinstate Claimant's MA application dated [REDACTED], including retroactive MA; and

(2) initiate processing of Claimant's application subject to the finding that DHS failed to properly request verification of disability and/or assets from Claimant's AR. The actions taken by DHS are **REVERSED**.


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

Date Signed: 3/6/2014

Date Mailed: 3/6/2014

NOTICE OF APPEAL: The claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely Request for Rehearing or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

Michigan Administrative Hearing System (MAHS) may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. MAHS will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request (60 days for FAP cases).

A Request for Rehearing or Reconsideration may be granted 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 Department, AHR or the claimant 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 the hearing decision is mailed.

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

CG/hw

cc:

