

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-011734  
Issue No.: MEDICAID - ELIGIBILITY  
Case No.: [REDACTED]  
Hearing Date: December 04, 2014  
County: JACKSON

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 December 4, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant, [REDACTED], Daughter, and [REDACTED], Authorized Hearing Representative. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly deny Claimant's Medical Assistance (MA) application based on a failure to comply with verification requirements?

**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 August 30, 2013, a MA application was filed on Claimant's behalf by an Authorized Representative (AR).
2. On May 9, 2014, a Verification Checklist was issued stating verification of medical expenses and a bank account were needed by the May 19, 2014 due date.
3. On May 19, 2014, the AR sent a fax to the Department with the medical expense verification and stated that Claimant does not have a bank account, therefore the checklist was believed to be complete.
4. On May 19, 2014, the Department spoke with the AR discussing the bank verification that was needed, specifically the account where Claimant's social

security income is being direct deposited, and the AR requested an extension of the due date for the checklist.

5. On May 29, 2014, the AR sent a fax to the Department requesting a second extension of the due date for the checklist.
6. On June 6, 2014, the AR sent a fax to the Department with recent debit card statements and requested a third extension of the due date for the checklist explaining that Claimant had to order the needed older statements and it would take two weeks for the statements to be mailed to Claimant.
7. On June 18, 2014, the AR sent a fax to the Department requesting a fourth extension of the due date for the checklist explaining that Claimant had just received the older debit card statements and had mailed them to the AR.
8. On June 27, 2014, the AR sent a fax to the Department requesting a fifth extension of the due date for the checklist explaining that what was sent to Claimant was a copy of his Social Security Award letter, not the requested older debit card statements.
9. On June 30, 2014, a Healthcare Coverage Determination Notice was issued stating the MA application was denied based on a failure to return bank account verification.
10. On September 5, 2014, a request for hearing contesting the Department's action was filed on Claimant's behalf.

### **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.

A Claimant must cooperate with the local office in determining initial and ongoing eligibility, including completion of necessary forms, and must completely and truthfully answer all questions on forms and in interviews. BAM 105, 4-1-2014, p. 6.

Verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. Verifications are considered timely if received by the date they are due. The Department must allow a client 10 calendar days (or other time limit specified in policy) to provide the requested verification. The Department worker must tell the client what verification is required, how to obtain it, and the due date. The client must obtain required verification, but the Department must assist if they needs and requests help. If neither the client nor the local office can obtain verification despite a reasonable effort, the Department worker should use the best available information. If no evidence is available, the Department worker is to use their best judgment. Specifically for MA, the policy directs that if the client cannot provide the verification despite a reasonable effort, extend the time limit up to three times. The Department is to send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, 4-1-2014, pp. 1-7.

On May 9, 2014, a Verification Checklist was issued stating verification of medical expenses and a bank account were needed by the May 19, 2014 due date.

On May 19, 2014, the AR sent a fax to the Department with the medical expense verification and stated that Claimant does not have a bank account, therefore the checklist was believed to be complete. However, the Department then spoke with the AR that same date discussing the bank verification that was needed, specifically the account where Claimant's social security income is being direct deposited. The AR requested an extension of the due date for the checklist.

On May 29, 2014, the AR sent a fax to the Department requesting a second extension of the due date for the checklist. It was noted that Claimant acknowledged that he does have a debit card for his social security income and he would be sending the AR a copy of the statements.

On June 6, 2014, the AR sent a fax to the Department with recent debit card statements (February to May 2014) and a request for a third extension of the due date for the checklist explaining that Claimant had to order the needed older statements (August 2013 to January 2014) and it would take two weeks for the statements to be mailed to Claimant.

On June 18, 2014, the AR sent a fax to the Department requesting a fourth extension of the due date for the checklist explaining that Claimant had just received the older debit card statements and had mailed them to the AR.

On June 27, 2014, the AR sent a fax to the Department a requesting a fifth extension of the due date for the checklist explaining that what was sent to Claimant was a copy of his Social Security Award letter, not the requested older debit card statements.

On June 30, 2014, a Healthcare Coverage Determination Notice was issued stating the MA application was denied based on a failure to return bank account verification.

Each fax from the AR requesting an extension of the due date also included language asking the Department to assist or use the best available information to make a determination if the Department was unable to grant the extension.

Based on the explanations in the first four extension requests, there was nothing indicating any need for the Department to assist with obtaining the verification. For example, the AR indicated their understanding that the need debit card statements had been received by Claimant and were already in the mail to the AR when the fourth extension was required on June 18, 2014. By the time the fifth extension was requested on June 27, 2014, the Department had already exceeded the three extensions that could be granted under the above cited BAM 130 policy. Further, the best available information, i.e. the documentation that had been provided so far, was not sufficient to allow the Department to determine Claimant's assets for the older time period still at issue, August 2013 to January 2014.

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 acted in accordance with Department policy when it denied Claimant's MA application based on a failure to comply with verification requirements.

#### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



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Colleen Lack  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **2/13/2015**

Date Mailed: **2/13/2015**

CL/hj

**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:

