

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 15-000568
Issue No.: MEDICAID - ELIGIBILITY
Case No.: [REDACTED]
Hearing Date: March 24, 2015
County: OAKLAND-DISTRICT 4

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 March 24, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant, and [REDACTED] ex-wife. Participants on behalf of the Department of Human Services (Department) included Donna Stephens, Family Independence Specialist, 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 April 9, 2014, Claimant applied for Medicaid (MA-P) and retroactive MA-P.
2. On September 9, 2014, the Medical Review Team (MRT) deferred making a disability determination and requested additional medical evidence.
3. On October 7, 2014, a Medical Determination Verification Checklist was issued with a due date of October 17, 2014, which did not clearly explain who was to gather parts of the requested medical documentation.
4. The Department was inconsistent regarding whether or not they received any of the requested medical documentation.
5. On December 18, 2014, a Health Care Coverage Determination Notice was issued stating MA was denied based on a failure to comply with verification requirements.

6. On January 7, 2015, Claimant filed a request for hearing contesting 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), 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.

In general, verification is usually required upon application or redetermination and for a reported change affecting eligibility or benefit level. 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 the client needs and requests help. If neither the client nor the Department 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. BAM 130, 10-1-2014, pp. 1-3.

Specifically, for MA, the Department must allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, the Department can extend the time limit up to two times. Verifications are considered timely if received by the date they are due. The Department is to send a case action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 7-8.

In this case, the October 7, 2014, Medical Determination Verification Checklist listed a due date of October 17, 2014. As written, the verification request was not clear about who was to gather parts of the requested medical documentation. Under the Additional documentation needed to support disability section, in part, it was stated that the MRT decision was delayed because additional documentation has been requested, treatment notes from a March 2014 hospital stay. This phrasing could be read to imply that the Department has already requested those records. Additionally, it was stated "Psych evaluation to be scheduled." This phrasing could be read to imply that the Department was going to schedule the psychological evaluation.

The Department's testimony initially indicated they received some of the requested additional medical evidence before the denial occurred, specifically everything but the psychological evaluation. The Department indicated that the case was not re-submitted

to the MRT with the additional medical documentation that was received because the psychological examination was not submitted. Re-submitting the case to the MRT with the additional medical information that was received would have been consistent with the BAM 130 policy directing the Department to use the best available information to determine eligibility. However, the Department's later testimony indicated they did not receive any of the requested additional medical evidence.

Claimant and his witness testified that everything was submitted to the Department. Claimant testified that a Department Supervisor told him the Department received everything and only the psychological evaluation was late. Claimant noted that he hand delivered the psychological evaluation. Claimant's witness testified that they received the October 7, 2014, Medical Determination Verification Checklist on October 10, 2014, and she hand delivered the needed forms to the doctor's office and mental health provider. This included two release forms Claimant signed for the mental health provider. The doctor's office called Claimant's home and stated they faxed the information to the Department that same date. It was acknowledged that there was a delay with the mental health provider as they scheduled an examination and requested another release form. Claimant's witness testified that they also had the hospital records submitted to the Department. Additionally, Claimant testified that at one point the Department Supervisor told him the paperwork was screwed up and had to be fixed.

Overall, the evidence is not sufficient to establish that the Department acted in accordance with Department policy when Claimant's MA application was denied based on a failure to comply with verification requirements. The language in the Medical Determination Verification Checklist was not clear regarding who was going to obtain parts of the requested medical documentation. Claimant and his witness provided detailed, credible testimony that at least some of the requested medical documentation should have been received by Department prior to the October 17, 2014 due date. Further, the Department's testimony was not consistent regarding whether or not any of the requested medical information was received before the denial was issued December 18, 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 failed to satisfy its burden of showing that it 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 **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. Re-determine Claimant's eligibility for the April 9, 2014, application for MA and retroactive MA, to include requesting any verification(s) that may still be needed, in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.



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

Date Signed: **4/3/2015**

Date Mailed: **4/3/2015**

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:

