

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

IN THE MATTER OF:

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Reg. No.: 15-001984
Issue No.: 2001
Case No.: ██████████
Hearing Date: March 26, 2015
County: Macomb-District 12

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 26, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant; ██████████ Claimant's sister and authorized hearing representative (AHR); and ██████████, Claimant's boyfriend. Participants on behalf of the Department of Human Services (Department) included ██████████, Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's November 18, 2014 application for Medical Assistance (MA) benefits, with request for retroactive coverage to September 1, 2014?

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 November 18, 2014, Claimant filed an application for MA benefits, with request for retroactive coverage to September 1, 2014.
2. On January 14, 2015, the Department sent Claimant a Health Care Coverage Determination Notice denying her application for September 2014 and November 2014 ongoing because she was not blind, disabled, pregnant, the parent/caretaker of a dependent child, or meet the age requirements and for October 2014 because she failed to verify income. The Notice also indicated that her income of \$418,000 made her ineligible for MA.

3. On January 20, 2015, the Department sent Claimant a Health Care Coverage Determination Notice denying her application for September 2014 ongoing on the basis that her income of \$418,000 made her ineligible for MA and she was not blind, disabled, pregnant, the parent/caretaker relative of a dependent child and did not meet the age requirements.
4. On February 3, 2015, Claimant filed a request for hearing disputing the Department's actions.

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.

The Department sent Claimant two Health Care Coverage Determination Notices, one on January 14, 2015, the other on January 20, 2015, which jointly denied Claimant's application for MA coverage for September 1, 2014, ongoing on the basis that (i) she was not pregnant, disabled, blind, the parent/caretaker of a minor child, and did not meet the age requirements, (ii) verification of employment income was not returned, and (iii) because her annual income of \$418,000 exceeded the income limit for eligibility.

Although the Notice indicates that one ground for the denial was that Claimant was not pregnant, disabled, blind, a parent/caretaker, or within the age requirements, it appears from the evidence at the hearing that Claimant alleged a disability. There was no evidence presented that the Department processed Claimant's MA application to determine whether she was disabled. See BAM 815 (January 2015), pp. 2-8. Thus, to the extent the Department relied on Claimant's lack of disability to deny her application, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy.

At the hearing, the Department explained that Claimant's application was denied because she did not provide requested employment verifications showing her last paychecks and her end of employment. However, the Department acknowledged that (i) the verification checklist sent to Claimant on January 2, 2015, asked for employment

records but was inadequate because it did not identify the employers or the time period requested and (ii) Claimant had notified the Department prior to the verification checklist due date that an employer was not cooperative and requested assistance that was not provided. See BAM 130 (October 2014), p. 3 (requiring the Department to tell the client what verification is required and how to obtain it and to assist the client if assistance is requested). Furthermore, the Department testified at the hearing that the information Claimant provided on January 16, 2015, was sufficient to establish her income. BAM 130, p. 3 (requiring the Department to use the best available information if neither the client nor the local office can obtain verification). Therefore, the Department did not act in accordance with Department policy when it denied Claimant's application based on failure to verify income.

At the hearing, the Department also acknowledged that the \$418,000 income figure used as Claimant's annual employment income was inaccurate. Department policy provides that in determining an applicant's eligibility for MA, eligibility is determined on a calendar month basis. BEM 105 (January 2014), p. 2. Unless policy specifies otherwise, circumstances that existed, or are expected to exist, during the calendar month being tested are used to determine eligibility for that month. BEM 105, p. 2. Department policy is consistent with federal regulations concerning an applicant's eligibility for MAGI-based MA: 42 CFR 435.603(h)(1) provides that "financial eligibility for Medicaid for applicants . . . must be based on current monthly household income and family size." When determining eligibility for a future month, the Department should assume circumstances as of the processing date will continue unchanged unless it has information that indicates otherwise. BEM 105, p. 2. Because the Department presented no evidence substantiating Claimant's income being \$418,000 for the month of application (or the retroactive months), the Department failed to satisfy its burden of showing that it acted in accordance with Department policy in denying Claimant's MA application on the basis of income.

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 denied Claimant's November 18, 2014, MA application with request for retroactive coverage to September 2014.

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. Reregister and reprocess Claimant's November 18, 2014, MA application, with request for retroactive coverage to September 2014;
2. Provide Claimant with MA coverage she is eligible to receive from September 1, 2014, ongoing; and
3. Notify Claimant in writing of its decision.



Alice C. Elkin
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **3/30/2015**

Date Mailed: **3/31/2015**

ACE / tlf

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]
[REDACTED]
[REDACTED]
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