

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

IN THE MATTER OF:



MAHS Reg. No.: 15-016554
Issue No.: 2002
Agency Case No.: [REDACTED]
Hearing Date: October 27, 2015
County: KENT-DISTRICT 1
(FRANKLIN)

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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, telephone hearing was held on October 27, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] (Eligibility Specialist) represented the Department of Health and Human Services (Department). Witnesses on behalf of the Department included [REDACTED] (Assistance Payments Manager).

ISSUE

Did the Department of Health and Human Services (Department) properly deny the Claimant's application for Medical Assistance (MA)?

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 May 1, 2015, the Department sent the Claimant a DHS-1004 with a due date of May 12, 2015.
2. On May 12, 2015, the Department received her DHS-1004 with some verification documents.
3. On May 26, 2015, the Department notified the Claimant that it had denied the Claimant's application for Medical Assistance (MA).
4. On August 21, 2015, the Department received the Claimant's request for a hearing protesting the denial of her Medical Assistance (MA) application.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and 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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (July 1, 2015), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (July 1, 2015), pp 1-9.

The Department will send a negative action when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed and the client has not made a reasonable effort to provide it. Department of Human Services Bridges Administrative Manual (BAM) 130 (April 1, 2014).

On May 1, 2015, the Department sent the Claimant a DHS-1004, and the Claimant returned this form along with some verification documents. The Department determined that the Claimant's verification documents were insufficient to accurately determine her eligibility for Medical Assistance (MA) benefits. The Department determined that the Claimant failed to provide documentation of self-employment income. The Department determined that the Claimant failed to return verification of all her bank accounts. The

Department determined that the Claimant failed to provide sufficient verification of all countable assets, including retirement accounts. On May 25, 2015, the Department notified the Claimant that it had denied her application for Medical Assistance (MA).

On May 12, 2015, the Claimant submitted a DHS-1004 that indicates in the Client Comments section that she is “seeking work / art commissions.” Based on this comment, the Department expected that the Claimant should have submitted documentation of income and expenses. The primary document to verify this type of income and assets is a Schedule C tax return form. This Administrative Law Judge finds that the Claimant was not reporting that she was receiving income, but was seeking income. There may not have been any documentation for the Claimant to provide on May 12, 2015. Furthermore, the Department failed to notify the Claimant of what documents it expected to receive as verification of the Claimant “seeking work / art commissions.”

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. Department of Health and Human Services Bridges Eligibility Manual (BEM) 105 (October 1, 2014), p 2.

The Department determined that the Claimant failed to offer sufficient verifications of her countable assets consisting of bank accounts and retirement accounts listed on her DHS-1004. Regardless of what documents the Claimant offered as verification of her assets, the Department failed to establish that the Claimant is not eligible for any category of MA benefits that does not have an asset limit.

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 the Claimant’s application for Medical Assistance (MA).

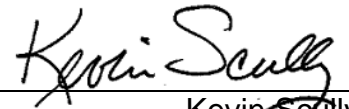
DECISION AND ORDER

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. Send the Claimant a Verification Checklist (DHS-3503) requesting any information necessary to determine the Claimant’s eligibility for Medical Assistance (MA).
2. Initiate a determination of the Claimant’s eligibility for Medical Assistance (MA) as of May 1, 2015.

3. Provide the Claimant with written notice of the Department's revised eligibility determination.
4. Issue the Claimant any retroactive benefits she may be eligible to receive, if any.



Kevin Scully
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **11/5/2015**

Date Mailed: **11/5/2015**

KS/■

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:

