

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-003078  
Issue No.: 2004  
Case No.: [REDACTED]  
Hearing Date: April 6, 2015  
County: Wayne (82)

**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 April 6, 2015 from Detroit, Michigan [REDACTED] [REDACTED] appeared as Claimant's authorized hearing representative (AHR). Muqarrabah Miyzaan, Claimant's successor, testified on behalf of Claimant. Participants on behalf of the Department of Human Services (DHS) included Gloria Harland, specialist, and [REDACTED], manager.

**ISSUE**

The issue is whether DHS properly denied Claimant's Medical Assistance (MA) application due to a Claimant failure to timely 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 applied for MA benefits.
2. On [REDACTED], DHS mailed Claimant a Verification Checklist (Exhibit 1) (VCL) requesting five bank account statements from December 2014 and a cash surrender value for a life insurance policy.
3. On [REDACTED], Claimant's successor called DHS to report difficulty in obtaining verifications.

4. On [REDACTED] DHS mailed Claimant a Health Care Coverage Determination Notice (Exhibits 6-9) informing Claimant of an application denial due to a Claimant failure to timely return requested verifications.
5. On [REDACTED], Claimant's AHR requested a hearing to dispute the denial of Claimant's MA application.

### **CONCLUSIONS OF LAW**

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. DHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. DHS policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), 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 a denial of MA benefits. It was not disputed that DHS denied Claimant's MA application due to a Claimant failure to timely return documentation verifying the value of 5 banks accounts and a life insurance policy. Specifically, DHS wanted values of each asset as of September 2014.

For all programs, DHS is to use the DHS-3503, Verification Checklist to request verification. BAM 130 (July 2014), p. 3. For MA benefits, DHS is to allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. *Id.*, p. 7. 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.

Claimant's successor testified that she timely submitted all necessary documents to DHS except for a life insurance value. Claimant successor testified that she called DHS on [REDACTED] to report her difficulties in obtaining the life insurance value.

DHS testified that Claimant failed to submit any requested documents by the due date. DHS contended that Claimant's successor may have called on [REDACTED], however, Claimant's successor did not specifically request additional time to submit verifications.

The analysis will proceed to examine if DHS' or Claimant's successor's testimony was more credible. Presented evidence suggested that neither side's testimony was particularly convincing.

DHS initially contended that Claimant failed to submit any verifications that complied with the VCL request. It was not disputed that Claimant returned some asset verifications (Exhibits 2—5) before the VCL due date. DHS contended that all of the submitted verifications were too old to verify asset values from September 2014. The presented documents were all dated from either 2012 or 2013.

During the hearing, Claimant's successor was asked if she submitted statements from September 2014 before the VCL deadline of [REDACTED]. Claimant's successor responded by presenting a handful of documents. One of the documents was a bank statement for a period ending in mid-December 2014. Claimant's successor was advised that she could not have presented DHS with a bank statement covering the middle of December 2014 by a due date of [REDACTED]. This consideration harmed Claimant's successor's credibility.

Claimant's successor presented three asset verifications (Exhibits A1-A3) dated before December 2014 and indicating a value of an asset as of September 2014. DHS examined the documents. DHS initially responded that the documents were never received by DHS. DHS was then asked to check Claimant's casefile to insure that the documents were not already in their possession. Sure enough, DHS already had the documents. This consideration harmed DHS' overall credibility.

It was not disputed that Claimant's successor called DHS on [REDACTED] to report difficulty in obtaining a recent life insurance value statement. The consequences of the conversation were disputed.

DHS contended that a client reporting difficulty in obtaining verification does not amount to a request to extend a deadline to submit documents. Technically, the DHS contention is true; good customer service, common sense, and DHS policy dictate otherwise.

The client must obtain required verification, but the local office must assist if they need and request help. *Id.*, p. 3. For MA benefits, if the client cannot provide the verification despite a reasonable effort, DHS is to extend the time limit up to two times. *Id.*

If a client reports to DHS difficulty in obtaining a requested verification, the least that DHS can do is to extend the verification deadline. The failure by DHS to extend the verification submission deadline is a significant obstacle to affirming the DHS decision.

DHS presented testimony implying that standards of promptness justified not extending the verification due date. The standard of promptness for processing MA applications is 45 days (see BAM 115). Concern of a standard of promptness might be a reasonable consideration if client actions substantially contribute to a delay in processing. In the present case, DHS exceeded their standard of promptness before a VCL to Claimant's successor was even mailed. Thus, concern for standards of promptness is an unpersuasive excuse for failing to extend a VCL due date.

Based on the presented evidence, DHS should have extended Claimant's VCL due date. By failing to extend Claimant's VCL due date, DHS improperly denied Claimant's application for MA benefits.

### **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 perform the following actions:

- (1) reregister Claimant's application dated [REDACTED]; and
- (2) issue an updated VCL granting Claimant's successor an extension of the verification checklist due date.

The actions taken by DHS are **REVERSED**.



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**Christian Gardocki**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **4/9/2015**

Date Mailed: **4/9/2015**

CG / hw

**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:

