

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

IN THE MATTER OF:

██████████
██████████
████████████████████

Reg. No.: 15-003079
Issue No.: 2002
Case No.: ██████████
Hearing Date: April 02, 2015
County: DHS SSPC CENTRAL

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 three-way telephone hearing was held on April 2, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████
██████████

ISSUE

Did the Department properly deny Claimant's Medical Assistance (MA) application dated November 18, 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 applied for MA benefits via the Federally Facilitated Marketplace Application Transfer. See Exhibit 1, pp. 1 and 5-6.
2. On November 19, 2014, the Department sent Claimant a Health Care Coverage Supplemental Questionnaire (DHS-1004), which was due back by December 1, 2014. See Exhibit 1, pp. 7-9.
3. On December 1, 2014, Claimant submitted the Health Care Coverage Supplemental Questionnaire (supplemental questionnaire) form. See Exhibit 1, pp. 12-14. Under the assets section, Claimant indicated she had "no assets" and "just borrowed funds to supplement poverty funds." See Exhibit 1, p. 14.

4. The Department indicated that previous case actions provided evidence that Claimant had a checking account. See Exhibit 1, pp. 10-11. Claimant acknowledged that she has an active checking account.
5. On January 5, 2015, the Department sent Claimant a Verification Checklist (VCL), which was due back by January 15, 2015. See Exhibit 1, pp. 15-16. The VCL requested verification of her home/building, medical expenses, retirement benefits, loan proceeds, vehicle, and checking account. See Exhibit 1, pp. 15-16.
6. On January 5, 2015, the Department sent Claimant a Verification of Assets (DHS-20), which requested verification of Claimant's Flagstar Bank account. See Exhibit 1, pp. 17-18.
7. The Department indicated that no verifications were submitted by January 15, 2015; therefore, the VCL was extended to February 2, 2015. See Exhibit 1, pp. 1 and 19.
8. Claimant failed to submit the verification of her bank account by the extended due date.
9. On February 10, 2015, the Department sent Claimant a Benefit Notice (DHS-176) notifying her that her MA application is denied for failure to comply with the verification requirements. See Exhibit 1, pp. 20-21.
10. On February 27, 2015, Claimant filed a hearing request, protesting the MA denial. See Exhibit 1, pp. 3-4.
11. On March 16, 2015, the Michigan Administrative Hearing System (MAHS) sent both parties a Notice of Hearing, which scheduled a hearing for April 2, 2015.
12. On March 18, 2015, the Administrative Law Judge (ALJ) sent both parties an Order Denying Request for Adjournment and ordered that the hearing be held as scheduled on April 2, 2015.
13. On April 2, 2015, all parties were present for the three-way telephone hearing.

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.

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (January 2015), p. 8. This includes completion of necessary forms. BAM 105, p. 8. The local office must assist clients who ask for help in completing forms or gathering verifications. BAM 105, p. 14. Particular sensitivity must be shown to clients who are illiterate, disabled or not fluent in English. BAM 105, p. 14.

The Department allows the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. BAM 130 (October 2014), p. 7. If the client cannot provide the verification despite a reasonable effort, the Department extends the time limit up to two times. BAM 130, p. 7. At application, redetermination, ex parte review, or other change, the Department explains to the client/authorized representative the availability of your assistance in obtaining needed information. BAM 130, p. 7. Extension may be granted when the following exists:

- The customer/authorized representative need to make the request. An extension should not automatically be given.
- The need for the extension and the reasonable efforts taken to obtain the verifications are documented.
- Every effort by the department was made to assist the client in obtaining verifications.

BAM 130, p. 7.

The Department send a case action notice when: the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, p. 8.

For Group 2 Under Age 21 (G2U), Group 2 Caretaker (G2C), and Supplemental Security Income (SSI)-Related MA only, checking and draft accounts are considered assets. See BEM 400 (January 2015), p. 14. The Department verifies the value of countable assets at application, redetermination and when a change is reported. BEM 400, p. 56. Verification sources for checking or draft accounts include monthly statements, telephone contact with the financial institution, a DHS-20, Verification of Assets, the DHS-27, Release of Information, or other specified form as appropriate, when helping a person verify assets. See BEM 400, pp. 57-58.

In the present case, the Department indicated that Claimant's MA denial was based on her failure to provide verification of the checking account. On January 23 and 28, 2015, the Department's case comments indicated two separate telephone contacts to the Claimant in which it attempted to explain the necessary verifications to submit. See Exhibit 1, p. 29. In fact, the Department provided Claimant with an extension to submit

the verifications, but to no avail. As such, on February 10, 2015, the Department sent Claimant a Benefit Notice (DHS-176) notifying her that her MA application is denied for failure to comply with the verification requirements. See Exhibit 1, pp. 20-21.

In response, Claimant acknowledged that she had a checking account at the time application and that it is still active. Claimant testified that she did not provide verification of the checking account. Claimant testified that her checking account is not considered an asset. Claimant did indicate that she is on a low fixed income, that she is disabled, and she attempted to contact the Department. Finally, Claimant testified that she believed she submitted her tax return with the application, which should have sufficed any verification requirements (i.e., any interest earned from bank accounts).

Based on the foregoing information and evidence, the Department properly denied Claimant's MA application dated November 18, 2014. The Department presented evidence that it attempted to assist and provide Claimant an opportunity to submit the necessary verifications by the extension due date, but to no avail. See Exhibit 1, p. 29. Claimant acknowledged that she did not provide verification of the checking account and argued that she did not have to submit proof of her bank account. However, Claimant's argument is improper. Department policy allows it to request verification of the checking account (see BAM 130, pp. 1-8 and BEM 400, pp. 14 and 57-58) and her inability to provide the verification resulted in the proper denial of the MA application. Claimant must cooperate with the local office in determining her initial MA eligibility, which includes the completion of necessary forms. See BAM 105, p. 8. Because Claimant failed to submit the verifications by the due date (i.e., checking account), the Department acted in accordance with Department policy when it denied her MA application. See BAM 105, p. 8; BAM 130, pp. 1-8; and BEM 400, pp. 14 and 57-58. Claimant can reapply for MA benefits.

DECISION AND ORDER

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 properly denied Claimant's MA application dated November 18, 2014.

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


Eric Feldman
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **4/6/2015**
Date Mailed: **4/8/2015**
EJF/tm

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]