

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

**IN THE MATTER OF:**

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

Reg. No.: 15-005202  
Issue No.: 2004  
Case No.: ██████████  
Hearing Date: May 13, 2015  
County: WAYNE-DISTRICT 15  
(GREYDALE)

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**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; and Mich Admin Code, R 792.11002. After due notice, a three way hearing was held on May 13, 2015, from Detroit, Michigan. Participants on behalf of Claimant included ██████████ ██████████, the Claimant's Authorized Hearing Representative. Participants on behalf of the Department of Health and Human Services (Department) included ██████████ ES.

**ISSUE**

Did the Department properly fail to process the Claimant MA application?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The SSA approved the Claimant for SSI with an onset date of September 7, 2011. The SSA also approved Claimant for RSDI. Claimant Exhibit 1 and 2.
2. The Claimant's AHR seeks to have the Department activate Medical Assistance effective September 2011 and February 2012.
3. The application submitted in September 2011 was submitted by the Claimant, not the AHR. A Facility Admission Notice was presented at the hearing and was date stamped September 21, 2011. The DHS completed the Facility Admission Notice on October 13, 2011 indicating that the MRT had denied the application associated with the Facility Admission Notice. The case number associated with the denial is

for DHS case number [REDACTED] and indicates it was registered on September 21, 2011 and denied by the Department on October 13, 2011. Exhibit A; Claimant Exhibit 3.

4. The Department completed a Medical Social Eligibility Certification dated October 30, 2012 issued by the MRT which denied disability noting a new application dated September 29, 2011. The MRT notes indicate that DHS was to check to see if a prior denial dated October 6, 2011 contained the same medical records. If not, The Department was to obtain records from [REDACTED]. The DHS case number associated with this denial was [REDACTED]. The MRT denial indicated that the denial was for SDA and MA Disabled. The Department denied the application and retro medical assistance. Claimant Exhibit 4.
5. The Department witness who researched the matter, requested the MRT provide any information available regarding either of the applications. No application was located for either denial even though two applications were denied.
6. Department records presented at the hearing indicate that the Claimant filed the Facility Admission Notice on September 21, 2011 and retro months were denied. Exhibit A, Claimant Exhibit 3.
7. The SOLQ submitted by the Department indicates the Claimant was approved for RSDI with an onset date of September 6, 2011. Exhibit F.
8. The SSA approved the Claimant for SSI and found Claimant disabled as of September 7, 2011. The SSI letter is dated February 28, 2013 but may not be the date the original letter was issued. Claimant Exhibit 2.
9. The SSA also issued a letter on February 3, 2013 finding the Claimant disabled as of September 7, 2011 and entitled to RSDI. The SSA advised that they were holding benefits for March 2012 through January 2013 because they may have to reduce these benefits if he received SSI income for this period. The Claimant began receiving RSDI on March 12, 2012. Claimant Exhibit 2.
10. The Claimant was eligible for SSI and received SSI payments from October 2011 through December 2011 and January 2012 through December 2012 and January 2013 through February 2013, and thereafter Claimant began receiving RSDI beginning March 2013. Claimant Exhibit 1 and Claimant Exhibit 2.
11. The Claimant's AHR requested a timely hearing on April 1, 2015 requesting the Department reprocess the Claimant's September 2011 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.

In this case, the Claimant's AHR seeks the Department to activate coverage for the months of September 2011 and February 2012 based upon SSI approval with an onset date of September 7, 2011. Claimant Exhibit 1 and 2. The Claimant filed an application on September 21, 2011, DHS case number [REDACTED], and September 29, 2011. Both applications were subsequently denied by the MRT. Neither application was available. The Department has not activated coverage on either case number based upon these applications, or based upon the actions of the SSA finding disability for Claimant began September 7, 2011. The SSA appears to have found Claimant eligible for SSI based upon a disability date of September 7, 2011 and made payments beginning October 2011. Exhibit 2. The Claimant was also found eligible for RSDI with a disability begin date of September 7, 2011 and payment of benefits March 12, 2012. Claimant Exhibit 2.

Department policy found in BEM 150 provides:

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. The Social Security Administration (SSA) determines SSI eligibility.

In Michigan, DHS supplements federal SSI payments based on the client's living arrangement. Thus, in this item **SSI recipient** means a Michigan resident who receives the basic federal payment, the state supplement, or both.

To be **automatically** eligible for Medicaid (MA) an SSI recipient must both:

- Be a Michigan resident.

- Cooperate with third-party resource liability requirements.

DHS administers MA for SSI recipients, including a continued MA eligibility determination when SSI benefits end.

Ongoing MA eligibility begins the first day of the month of SSI entitlement. Some clients also qualify for **retroactive** (retro) MA coverage for up to three calendar months prior to SSI entitlement; see BAM 115. BEM 150 (April 1, 2015, p. 1.

As regards RSDI, Department policy in BEM 260 provides:

**RSDI  
Eligibility  
Established  
After MA  
Denial**

Process a previously denied application as if it is a pending application when all of the following are true:

- The reason for denial was that the DDS determined the client was **not** disabled or blind, **and**
- The Social Security Administration (SSA) subsequently determined that the client is entitled to RSDI based on his disability/ blindness for some or all of the time covered by the denied MA application.

Follow MA policies including verification of income, assets and receipt of RSDI based on disability/blindness. All eligibility factors must be met for each month MA is authorized.

**Note:** If more than one MA denial notice was issued prior to the date the client informs DHS of the RSDI approval, determine eligibility beginning with the oldest application and its retro MA months. BEM 260 (July 1, 2015), p.2.

Based upon the Department policy cited above, whether the Claimant is eligible for SSI (BEM 150) or RSDI (BEM 260) based upon the SSA's letters, the Claimant's MA eligibility must be determined in light of the SSA action finding the Claimant disabled. Claimant Exhibit 2 and .

Based upon the policies cited above, the Department is required to activate coverage for September 2011 based upon the Claimant's SSI approval based upon the SSA letters regarding disability onset of September 7, 2011, or activate coverage based upon approval of the Claimant for RSDI. Claimant Exhibit 1 and 2. Subsequently the Claimant was approved for RSDI payments for March 2012 beginning March 13, 2013, based upon a finding of disability of September 7, 2011. Exhibit 2.

Based upon the onset date September 7, 2011, the Claimant's two September applications for Medical Assistance and the SSA letter(s), (Claimant Exhibit 1 and 2), the Department must activate coverage beginning September 2011. As to the February 2012 coverage, this month should either be deemed ongoing based upon automatic approval for MA based on SSI, or the applications of September 29, 2011 or September 21, 2011 should be re-processed to determine Claimant's eligibility based upon disability and approval for RSDI.

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 failed to automatically activate coverage based upon Claimant's SSI approval. Further, the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it failed to reprocess the Claimant's two September 2011 Medical Assistance applications based on the SSA disability finding of a September 7, 2011 onset date for SSI and RSDI.

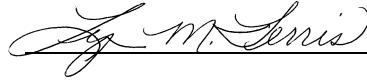
### **DECISION AND ORDER**

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. The Department shall re-register and re-process the Claimant's MA applications to determine ongoing eligibility and determine based upon the SSA finding that Claimant was SSI eligible with disability onset date of September 7, 2011, or that Claimant was MA eligible based upon RSDI approval. This re-processing shall include activation for the months of both September 2011 and February 2012. The Department shall review both DHS cases, number [REDACTED] and DHS case number [REDACTED].

2. The Department shall notify the Claimant's AHR of its determination in writing.



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**Lynn M. Ferris**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **6/12/2015**

Date Mailed: **6/12/2015**

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**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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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.

