

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 15-005822  
Issue No.: 2002  
Case No.: [REDACTED]  
Hearing Date: July 16, 2015  
County: Washtenaw (20)

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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, an in-person hearing was held on July 16, 2015, from Ypsilanti, Michigan. Participants on behalf of Claimant included [REDACTED] the Claimant; [REDACTED], Attorney, and [REDACTED], Law Clerk, [REDACTED]. Participants on behalf of the Department of Health and Human Services (Department) included [REDACTED], Assistant Attorney General; [REDACTED], Assistance Payments Worker (APW); and [REDACTED] Family Independence Manager (FIM).

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) case based on a failure to provide verification of income?

**FINDINGS OF FACT**

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

1. Claimant had been a recipient of Healthy Michigan Program Medicaid (MA-HMP) since April 2014.
2. A Redetermination form dated February 10, 2015, was issued to Claimant with a due date of March 2, 2015.
3. On March 3, 2015, Claimant called the APW because she has just received the Redetermination form in the mail and to clarify what was needed for proof of income.

4. On March 5, 2015, the Department received the completed Redetermination form and partial verification of income.
5. On March 30, 2015, a Health Care Coverage Determination Notice was issued to Claimant stating the MA case would close effective May 1, 2015, because verification of income was not returned.
6. On April 6, 2015, Claimant filed a hearing request contesting the Department's action.
7. After a receiving phone call from Claimant, the Department issued a Quick Note to Claimant on April 13, 2015, stating Claimant should submit the remaining income verification and advising that it should be brought to the local Department office to avoid further delay.
8. At the April 17, 2015, pre-hearing conference, the local Department office refused to accept the requested income verification.

### **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.

The Department must periodically redetermine or renew an individual's eligibility for active programs. The redetermination process includes thorough review of all eligibility factors. BAM 210, (July 1, 2014), p. 1.

A redetermination/review packet is considered complete when all of the sections of the redetermination form including the signature section are completed. When a complete packet is received, the Department is to record the receipt in Bridges as soon as administratively possible. BAM 210, p. 10.

In general, verifications are due the same date as the redetermination/review interview. When an interview is not required, verifications are due the date the packet is due. The Department allows clients a full 10 calendar days from the date the verification is requested (date of request is not counted) to provide all documents and information. If

the 10th day falls on a weekend or holiday, the verification would not be due until the next business day. BAM 210, p. 14.

However, the BAM 210 Redetermination policy also addresses what the Department is supposed to do when additional verification(s) are needed after a Redetermination packet has been submitted within the sub-section titled Completing the Redetermination Process. BAM 210, pp. 15-16. In part, this sub-section of the policy states that the Department is to generate a verification checklist for any missing verifications. BAM 210, p. 16.

The BAM 210 policy is consistent with the BAM 130 policy that states verification is usually required at Redetermination. BAM 130, (October 1, 2014), p. 1. Further, for MA verification, application, redetermination, ex parte review, or other change the BAM 130 policy allows for up to two extensions of the due date under the specified circumstances. BAM 130, pp. 7-8.

Lastly, the BAM 210 policy addressing subsequent processing allows for a redetermination to be re-registered and completed if the client takes the required action within 30 days after the end of the benefit period. BAM 210, pp. 17-18.

Claimant credibly testified she received the Redetermination form dated February 10, 2015, on March 2, 2015. As this form is generated and mailed from the central Department office, the witnesses from the local Department office were unable to provide any testimony addressing when or how the form was issued to Claimant.

Claimant credibly testified that she called the APW first thing the morning of March 3, 2015, to let the APW know she just received the Redetermination form in the mail and to clarify what was needed for proof of income. On the hearing request, Claimant noted that the APW told her to complete the form and send what she had with it. (Department Exhibit A, p. 4) Claimant testified she understood that she had until March 30, 2015, to provide the needed information.

On March 5, 2015, the Department received Claimant's completed Redetermination form along with an income verification, a W2 from [REDACTED] (Department Exhibit A, pp. 8-14) On the Redetermination form, Claimant noted she had a W2 for the [REDACTED] income and a 1099-R for the [REDACTED] income. (Department Exhibit A, pp. 11) Accordingly, Claimant identified what verifications she had intended to submit with the completed Redetermination form. Claimant also noted that she was not working at present. (Department Exhibit A, pp. 13)

Claimant's testimony acknowledged that the 1099-R for the [REDACTED] income was inadvertently not included with the paperwork mailed to the Department as once she became aware that the Department was missing this verification, she found it under the couch the paperwork had been setting on prior to mailing. However, the APW's testimony acknowledged that she did not take any steps to let Claimant know that the 1099-R was not received with the other documents on March 5, 2015, or advise Claimant that any additional information was needed to process the Redetermination by

the end of March 2015. Rather, the APW just issued the Health Care Coverage Determination Notice on March 30, 2015, stating the MA case would close effective May 1, 2015, because verification of income was not returned. It appears that the Department overlooked the above cited policy BAM 210 directing that a verification checklist be issued when additional verification(s) are still needed after a Redetermination packet has been received.

Claimant credibly testified that after she received the March 30, 2015, Health Care Coverage Determination Notice, she called the APW again to determine what was missing. The APW acknowledged that she received a call from Claimant and issued the Quick Note. The April 13, 2015, Quick Note stated Claimant should submit the 1099 and advised that it should be brought to the local Department office to avoid further delay. (Department Exhibit B) Claimant credibly testified that she brought the verification to the April 17, 2015, pre-hearing conference, but the FIM refused to accept the requested income verification. Claimant also provided an affidavit from a Law Clerk that attended the prehearing conference with her. (Claimant Exhibit 1) The FIM testified she did not recall if that happened at the pre hearing conference, but indicated that if a case is closed she would not have taken additional verification. It is noted that on the date of the pre-hearing conference, April 17, 2015, Claimant's MA should still have been open as the Health Care Coverage Determination Notice stated the MA case would not close until May 1, 2015. Further, the FIM's assertion that verification cannot be accepted after a case has closed is not consistent with the above cited BAM 210 policy regarding subsequent processing.

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 closed Claimant's MA case based on a failure to provide verification of income.


### **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. Re-determine Claimant's eligibility for MA retroactive to the May 1, 2015, effective date, to include requesting any verification(s) still needed, in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.

3. Supplement for lost benefits (if any) that Claimant was entitled to receive, if otherwise eligible and qualified in accordance with Department policy.



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Colleen Lack  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Mailed: **7/27/2015**

CL/jaf

**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.

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:

