

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

IN THE MATTER OF:

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Reg. No.: 15-007206
Issue No.: 2001
Case No.: ██████████
Hearing Date: June 11, 2015
County: Wayne-District 35

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 telephone hearing was held on June 11, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and ██████ ██████, Claimant's mother and authorized hearing representative (AHR). Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's October 22, 2014, application for Medical Assistance (MA) benefits, with retroactive coverage for August 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 October 22, 2014, Claimant filed an application for MA benefits, seeking retroactive coverage to August 2014.
2. On December 17, 2014, the Department sent Claimant a verification checklist (VCL) in connection with her Food Assistance Program (FAP) case requesting a copy of her December 5, 2014 paystub by December 29, 2014 (Exhibit B).
3. On January 14, 2015, the Department sent Claimant a VCL concerning her MA eligibility requesting proof of the last 30 days of earned and unearned income by January 26, 2015 (Exhibit C).

4. On January 21, 2015, Claimant scanned and uploaded, to the Department's website, her January 2, 2015, and January 16, 2015, paystubs.
5. On February 27, 2015, the Department sent Claimant a Health Care Coverage Determination Notice denying her application for MA benefits due to failure to return verification of income (Exhibit D).
6. On April 30, 2015, Claimant filed a request for hearing disputing the Department's actions.

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 testified that Claimant's MA application was denied because she had failed to verify income. The Department alleged that it initially requested verification in a December 17, 2014, VCL, and Claimant did not respond to this VCL. However, this VCL states on its face that it concerns the FAP program. Therefore, Claimant's failure to respond to this VCL would be irrelevant to her MA case. Further, the evidence at the hearing established that, before Claimant's MA application was denied in the February 27, 2015, Health Care Coverage Determination Notice, the Department sent Claimant another VCL on January 14, 2015, expressly addressing her eligibility for MA. The January 14, 2015 VCL asked Claimant to provide proof of income for the last 30 days. In response, Claimant, who was paid biweekly, provided the Department with two paystubs: one dated January 2, 2015 showing gross income of \$365.50 and another dated January 16, 2015 showing gross income of \$215.30. At the hearing, the Department, in reviewing its electronic data management files, acknowledged that those paystubs were received by the Department on January 21, 2015. Because the paystubs were for biweekly pay and covered a period of 28 days, they were responsive to the January 14, 2015 VCL. Therefore, the Department did not act in accordance with Department policy when it denied Claimant's MA application for failure to provided requested verification of income. BAM 130 (October 2014), pp. 7-8.

The AHR testified at the hearing that she was subsequently informed, after Claimant's application was denied, that the Department needed Claimant's paystubs for September 2014 and October 2014, the application month. The Department must notify the client in writing what verification is required, how to obtain it, and the due date before denying the application. BAM 130, p. 3. Therefore, the Department cannot rely on Claimant's failure to provide income verification for periods she had not been asked to provide.

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 Claimant's MA application for failure to verify 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. Reregister and reprocess Claimant's October 22, 2014 MA application with request for retroactive coverage to August 2014;
2. Provide Claimant with any MA coverage she is eligible to receive from August 1, 2014, ongoing; and
3. Notify Claimant and any authorized representative in writing of its decision.



Alice C. Elkin
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Signed: **7/02/2015**

Date Mailed: **7/02/2015**

ACE / tlf

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:

[REDACTED]