

**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.: 15-008666
Issue No.: 2002
Case No.: ██████████
Hearing Date: July 1, 2015
County: WAYNE-DISTRICT 76

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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on July 1, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████. Participants on behalf of the Department of Health and Human Services (Department or DHHS) included ██████████, Hearings Facilitator; and ██████████ Eligibility Specialist.

ISSUE

Did the Department properly deny Claimant's Medical Assistance (MA) application dated March 22, 2015?

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 March 22, 2015, Claimant applied for MA benefits for herself and her two children (Child A and B).
2. On March 23, 2015, the Department sent Claimant a Verification Checklist (VCL), which requested verification of income and it was due back by April 2, 2015.
3. On April 2, 2015, Claimant timely submitted the verifications of income.
4. On April 3, 2015, the Department sent Claimant a Health Care Coverage Determination Notice (determination notice) notifying her that she and Child A and

B were denied MA benefits effective March 1, 2015, for failure to provide verification of income. See Exhibit A, pp. 6-8.

5. The Department erred in the denial of the application as Claimant timely submitted the verification of income.
6. On May 21, 2015, the Department sent Claimant a determination notice notifying her that Child A and B were approved for MA benefits effective January 1, 2015, ongoing, and Claimant was approved for MA benefits effective April 1, 2015, ongoing. See Exhibit A, pp. 9-10.
7. On May 22, 2015, Claimant filed a hearing request, protesting the Department's action. See Exhibit A, p. 2.

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.

As a preliminary matter, both parties acknowledged that Child A and B are receiving ongoing MA coverage and there coverage is not at issue in this case. Thus, the undersigned will only address Claimant's MA eligibility.

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (April 2015), p. 8. This includes completion of necessary forms. BAM 105, p. 8.

The Department tells the client what verification is required, how to obtain it, and the due date. BAM 130 (October 2014), p. 3. The Department uses the DHS-3503, Verification Checklist (VCL), to request verification. BAM 130, p. 3.

The client must obtain required verification, but the local office must assist if they need and request help. BAM 130, p. 3. If neither the client nor the local office can obtain verification despite a reasonable effort, the Department uses the best available

information. BAM 130, p. 3. If no evidence is available, the Department uses its best judgment. BAM 130, p. 3.

The Department allows the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. BAM 130, p. 7. If the client cannot provide the verification despite a reasonable effort, extend the time limit up to two times. BAM 130, p. 7.

At application, redetermination, ex parte review, or other change, explain 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 sends a case action notice when: the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, p. 8. Only adequate notice is required for an application denial. BAM 130, p. 8.

In this case, the Department acknowledged that Claimant submitted the verification timely and thus, erred in the denial of the application. See Exhibit A, pp. 6-7 (determination notice dated April 3, 2015). It should be noted that the Department subsequently sent Claimant another determination notice on May 21, 2015, which approved her for coverage effective April 1, 2015, ongoing. See Exhibit A, p. 9. However, this determination notice failed to address Claimant's MA coverage for March 2015 and the Department indicated that her coverage is either currently pending and/or closed. See Exhibit A, p. 5 (MA - Eligibility Determination Group (EDG) Summary indicating Claimant's eligibility status as "pending"). Thus, it appears that Claimant was not approved for MA coverage, which is contrary to the determination notice dated May 21, 2015. Nevertheless, the Department did not act in accordance with Department policy when it denied Claimant's MA application because she submitted the verifications timely. See BAM 105, p. 8 and BAM 130, pp. 3 and 7-8. As stated above, the Department acknowledged that it denied the application in error; therefore, the Department will re-register and reprocess Claimant's application dated March 22, 2015, in accordance with Department policy.

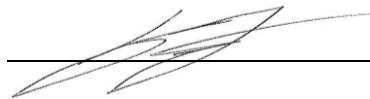
DECISION AND ORDER

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 did not act in accordance with Department policy when it improperly denied Claimant's MA application dated March 22, 2015.

Accordingly, the Department's MA 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. Initiate re-registration and reprocessing of Claimant's MA application dated March 22, 2015;
2. Begin issuing supplements to Claimant for any MA benefits she was eligible to receive but did not in accordance with Department policy; and
3. Begin notifying Claimant of its decision.



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

Date Signed: **7/1/2015**

Date Mailed: **7/1/2015**

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 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]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]