



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: September 9, 2016
MAHS Docket No.: 16-008263
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Petitioner'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 September 1, from Detroit, Michigan. Petitioner appeared and was represented by an attorney, [REDACTED]. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], manager.

ISSUE

The issue is whether MDHHS properly determined Petitioner's Medical Assistance (MA) eligibility.

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 [REDACTED], Petitioner submitted a Medicaid application to MDHHS, which did not allege that Petitioner was disabled.
2. On [REDACTED], Petitioner submitted a Medicaid application to MDHHS, which alleged Petitioner was disabled.
3. On [REDACTED], Petitioner also submitted a Retroactive Medicaid Application to MDHHS requesting Medicaid for November 2015 and December 2015.

4. On [REDACTED], MDHHS determined Petitioner was ineligible for disability-based Medicaid without making a medical determination of Petitioner's alleged disability.
5. On [REDACTED], Petitioner requested a hearing to dispute the MA determination.

CONCLUSIONS OF LAW

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. MDHHS (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a denial of Medicaid. Petitioner's attorney restricted Petitioner's dispute to the benefit months of November 2015 and December 2015.

MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 1-5) dated [REDACTED]. The notice stated Petitioner was denied Medicaid based on disability due to Petitioner not being disabled.

The Medicaid program is comprised of several sub-programs or categories. BEM 105 (October 2014), p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, Plan First!, and Adult Medical Program is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Clients may qualify under more than one MA category. *Id.*, p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility or the least amount of excess income. *Id.*

Petitioner's attorney only disputed Petitioner's eligibility for Medicaid based on disability. MDHHS outlines the requirements for Medicaid based on disability.

If the client is not eligible for RSDI based on disability or blindness... the Disability Determination Service (DDS) certifies disability and blindness. *Id.*, p. 3. The DDS certification of disability requires various procedures involving the requesting and evaluating medical documentation. MDHHS conceded that none of these procedures

were followed. MDHHS initially contended that the procedures did not have to be followed because Petitioner did not allege a disability.

It was not disputed that Petitioner initially applied for MA benefits on [REDACTED], [REDACTED]. It was not disputed Petitioner's application did not allege a disability. This evidence supports finding that MDHHS properly did not evaluate Petitioner for disability-based Medicaid.

It was not disputed that Petitioner submitted a second MA application to MDHHS on [REDACTED]. This application was submitted to MDHHS before MDHHS processed Petitioner's first application. It was not disputed Petitioner's second application alleged a disability. It was also not disputed Petitioner's second application included a request for retroactive Medicaid eligibility from November 2015 and December 2015.

[Concerning FIP, SDA, RCA, CDC, and FAP] when an application is pending and additional application(s) are received prior to certification of the initial application, do not automatically deny the application(s). BAM 110 (July 2015), p. 7. [MDHHS is to] do the following:

- Review the information for impact on eligibility and benefit level.
- Ensure the case record is documented with the additional application(s) received and note the application(s) used to determine eligibility and/or benefit levels.
- Attach the additional application(s) to the initial application. *Id.*

When the case is already active for program benefits and additional application(s) are received, the specialist must review the application for changes in circumstances. *Id.*

Technically, the above-cited policy does not apply to the MA program. MDHHS has no known procedures concerning the processing of multiple MA applications. In lieu of policy in the processing of multiple MA applications, the procedures from above will be deemed applicable to the MA program.

Based on above policy, MDHHS should have discovered that Petitioner's second MA application listed a change in circumstances (the claim of disability). MDHHS should have responded by initiating the medical disability evaluation process. MDHHS conceded no such evaluation occurred.

It is found MDHHS improperly failed to process Petitioner's claim of disability from the application dated [REDACTED]. Accordingly, it is found MDHHS properly denied Petitioner's MA eligibility.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's application dated [REDACTED]. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's application dated [REDACTED], including any request for retroactive MA benefits; and
- (2) Initiate the process of determining if Petitioner was disabled for the months of November 2015 and December 2015.

The actions taken by MDHHS are **REVERSED**.

CG/hw



Christian Gardocki
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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

DHHS

[REDACTED]

DHHS

[REDACTED]

[REDACTED]

Petitioner

[REDACTED]

Counsel for Petitioner

[REDACTED]