



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: September 2, 2016  
MAHS Docket No.: 16-009484  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **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 three way telephone hearing was held on August 15, 2106, from Detroit, Michigan. The Petitioner appeared for the hearing and was represented by her Authorized Hearing Representative (AHR) [REDACTED], from [REDACTED] (L&S). The Department of Health and Human Services (Department) was represented by [REDACTED], Hearings Facilitator.

### **ISSUE**

Did the Department properly process and deny Petitioner's application for Medical Assistance (MA) benefits?

### **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 May 10, 2016, Petitioner submitted an application for MA benefits. (Exhibit A, pp. 6-11)
2. On May 10, 2016, the Department sent Petitioner a Verification Checklist (VCL) instructing her to submit verification of her income by May 20, 2016. (Exhibit A, p. 22)
3. Petitioner timely responded to the VCL and submitted verification of her income. (Exhibit A, pp. 23, 31-35)

4. The Department failed to timely process the verifications received.
5. On May 23, 2016, the Department sent Petitioner and L&S a Health Care Coverage Determination Notice (Notice) advising that from May 1, 2016, to May 31, 2016, Petitioner is not eligible for MA on the basis that she failed to verify requested information. The Notice further informs Petitioner that she was approved for full coverage MA benefits for the period of June 1, 2016, ongoing. (Exhibit A, p. 24)
6. Petitioner became entitled to receive RSDI benefits effective June 1, 2016, and was approved for MA under the Ad-Care program for the month of June 1, 2016, to July 31, 2016. Petitioner's MA eligibility was transferred to the G2S program with a monthly deductible effective August 1, 2016. (Exhibit A, pp. 15, 25,29)
7. On June 30, 2016, L&S requested a hearing on Petitioner's behalf disputing the Department's actions in connection with the May 10, 2016, MA 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.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (January 2016), p.1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, p. 3.

With respect to MA cases, clients are given 10 calendar days to provide the verifications requested by the Department. BAM 130, pp.7-8. If the client cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to

submit the verifications up to two times. BAM 130, p. 7-8. Extensions may be granted when the client or authorized representative make a request, when the need for the extension and the reasonable efforts taken to obtain the verifications are documented, and every effort by the Department was made to assist the client in obtaining the verifications. BAM 130, p. 7. Verifications are considered to be timely if received by the date they are due. BAM 130, p.7-8. The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, p. 8.

In the present case, the Department testified that it determined Petitioner was ineligible for MA for the month of May 2016 because she failed to provide verification of her income. It was established at the hearing that the only month at issue was May 2016 as Petitioner was determined otherwise eligible for MA effective June 1, 2016, ongoing, based on her entitlement to RSDI benefits. The Department acknowledged that the denial of Petitioner's MA eligibility for the period of May 1, 2016, to May 31, 2016, as reflected in the May 23, 2016, Notice was improper, as Petitioner timely submitted the requested verification of her income and the Department failed to process the verifications received. The Department conceded that as of the hearing date, Petitioner's MA eligibility for May 2016 had not been redetermined and the issue had not been resolved.

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 because Petitioner timely returned verification of income as requested, the Department did not act in accordance with Department policy when it denied Petitioner's MA benefits for the month of May 2016 on the basis that she failed to provide requested verification of her 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. Register and process Petitioner's May 10, 2016, MA application to determine her eligibility for MA under the most beneficial category;

2. Provide Petitioner with any MA coverage that she was entitled to receive but did not from May 1, 2016, ongoing; and
3. Notify Petitioner and her AHR in writing of its decision.



ZB/tlf

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**Zainab A. Baydoun**

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]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**Petitioner**

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

**Via Electronic Mail:**

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