



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]  
[REDACTED]

Date Mailed: September 26, 2016  
MAHS Docket No.: 16-011241

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Vicki Armstrong**

**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 7, 2016, from Lansing, Michigan. The Petitioner was represented by her daughter, [REDACTED]. Petitioner’s daughter personally appeared and testified. Petitioner was not present.

The Department of Health and Human Services (Department) was represented by Eligibility Specialist [REDACTED] and Eligibility Specialist [REDACTED]. Both [REDACTED] and [REDACTED] testified on behalf of the Department. The record was closed at the conclusion of the hearing.

**ISSUE**

Did the Department properly close Petitioner’s Medicaid assistance?

**FINDINGS OF FACT**

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

1. Petitioner was living in long-term care and receiving Medicaid at times pertinent to this hearing.
2. On March 20, 2015, the Department issued a Health Care Coverage Determination Notice to Petitioner closing Petitioner’s Medicaid case for failure to return the redetermination. [Dept. Exh. 2-4].

3. On April 21, 2015, the Department issued a Verification Checklist requesting proof of a prepaid funeral contract and pension. [Dept. Exh. 5-6].
4. On July 6, 2015, the Department received a Medicaid application from Petitioner which included a retroactive-Medicaid application for the previous three months.
5. On July 14, 2015, the Department issued a Verification Checklist requesting proof of a prepaid funeral contract, pension, and checking account due by July 24, 2015. [Dept. Exh. 7-8].
6. On September 3, 2015, the Department issued a Verification Checklist due September 14, 2015, requesting proof of a pension and checking account. [Dept. Exh. 9-10].
7. On September 14, 2015, a Health Care Coverage Determination Notice was issued by the Department denying Petitioner's Medicaid application for failure to return the requested verifications. [Dept. Exh. 13-15].
8. On August 2, 2016, the Department received Petitioner's request for a hearing.

### **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.

Department policy states that clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105, p 8 (7/1/2015). This includes completion of the necessary forms. BAM 105, p 8. Clients who are able but refuse to provide necessary information or take a required action are subject to penalties. BAM 105, p 9. Clients must take actions within their ability to obtain verifications. BAM 105, p 12.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130, p 1 (7/1/2015). Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, p 1.

The Department uses the Verification Checklist, DHS-3503, to tell the client what verification is required, how to obtain it and the due date. BAM 130, p 3. The client must obtain the required verification, but the Department must assist if they need and request help. BAM 130, p 3.

A client is allowed 10 calendar days (or other time limit specified in policy) to provide the verification requested by the Department. BAM 130, p 6. The Department sends a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p 7.

In this case, Petitioner's son had been Petitioner's power of attorney and had handled all of Petitioner's finances. Petitioner's son died in January, 2015, and Petitioner's daughter took over as Petitioner's guardian and conservator in January, 2015.

The Petitioner's daughter testified that she mailed the new guardianship and conservator paperwork to the Department on February 5, 2015. However, Petitioner was unable to provide any documentation supporting her claim.

Due to the unusual circumstances in this case, the Department agreed to check with the nursing home, in case they had date stamped copies of the necessary paperwork. If any paperwork was provided to the Department from the nursing home supporting Petitioner's daughter's claims, then the Department agreed to do a redetermination.

If there is nothing from the nursing home supporting Petitioner's claims, then this Administrative Law Judge finds that the Department properly closed Petitioner's Medicaid benefits for failure to timely submit the requested verifications.

### **DECISION AND ORDER**

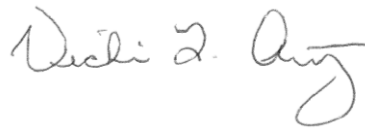
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department acted in accordance with Department policy when it closed Petitioner's Medicaid benefits due to failure to timely submit the requested verifications.

However, the Department did agree to pursue possible documentation at the nursing home and if proper support was received to support Petitioner's daughter's claims, then the Department would redetermine Petitioner's eligibility for Medicaid.

Accordingly, the Department's decision is **AFFIRMED IN PART** with respect to the closure of the Medicaid program for failure to return the requested verifications and **REVERSED IN PART** with respect to the possibility that the nursing home does have the requested verifications, in which case the Department agreed to do a Redetermination.

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. Verify whether the nursing home had the proper documentation supporting Petitioner's claims.
2. If the paperwork is provided, conduct a Redetermination and issue a Health Care Coverage Determination Notice.
3. If the nursing home is unable to provide any documentation supporting Petitioner's claims, issue a Health Care Coverage Determination Notice denying Petitioner's Medicaid benefits based on the failure to timely return the requested verifications.



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**Vicki Armstrong**

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

[REDACTED]

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

[REDACTED]

[REDACTED]  
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[REDACTED] [REDACTED]