



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: October 27, 2016  
MAHS Docket No.: 16-013592  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Darryl Johnson

### **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 October 20, 2016, from Lansing, Michigan. The Petitioner was represented by her spouse, [REDACTED] [REDACTED] and her Financial Planner, [REDACTED] [REDACTED]. The Department of Health and Human Services (Department) was represented by Eligibility Specialist [REDACTED] [REDACTED].

### **ISSUE**

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

### **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 applied for MA on June 29, 2016 (Exhibit 1 Pages 3-8).
2. A verification checklist was mailed to Petitioner (Pages 11-12) on August 5, 2016, requiring Petitioner to submit verification of assets, including documents evidencing a trust of which Petitioner is a beneficiary. Her response was due by August 15, 2016.
3. Petitioner provided many of the documents that were requested, but did not provide a copy of the trust document.

4. On September 30, 2016, the Department mailed a Benefit Notice (Pages 2 and 27-28) informing Petitioner that her application was denied due to failure to verify the assets.
5. On September 18, 2016, the Department received Petitioner's hearing request, protesting the denial of his MA.

### **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.

Per BAM 130 (7/1/16), at page 7, says:

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or Mi Bridges document upload), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day.

Send 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.

The issue is whether the Petitioner cooperated, or made a reasonable effort to cooperate, with the Department in determining her eligibility. Petitioner failed to substantiate in any way, other than through oral statements, that she made a reasonable effort to cooperate with the Department.

In this case, the Department mailed the verification checklist which listed the documents that needed to be provided, and specified a deadline. While Petitioner provided most of the documents that were requested, she failed to provide a copy of the trust agreement. BEM 401 (10/1/16) requires the Department to evaluate trusts and determine whether they are a Medicaid Qualifying Trust, to ascertain which assets are countable assets, and whether the trust has countable income. Without having a copy of the trust, the Department cannot assess the assets and income sources.

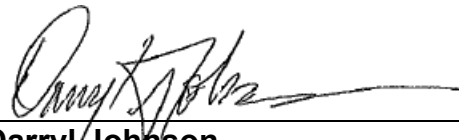
There was testimony that the Department received a copy of the trust document after the hearing request was filed. If the Department takes negative action based upon the effect of that document, the Petitioner can request another hearing, but at this time that is not an issue to be addressed.

### **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 acted in accordance with Department policy when it denied Petitioner's application for MA.

Accordingly, the Department's decision is **AFFIRMED**.

DJ/mc



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**Darryl Johnson**  
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]

**Petitioner**

[REDACTED]