



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: March 1, 2017  
MAHS Docket No.: 16-019269  
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 January 30, 2017, from Detroit, Michigan. Petitioner appeared and was represented by his authorized hearing representative (AHR) and aunt, [REDACTED], who participated via telephone. The Michigan Department of Health and Human Services (MDHHS) was represented by [REDACTED], hearing facilitator.

### **ISSUE**

The issue is whether MDHHS properly denied 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. On [REDACTED], Petitioner applied for MA benefits.
2. Petitioner's application listed an authorized representative (AR).
3. On [REDACTED], MDHHS denied Petitioner's MA application due to the following reasons: failure to verify income, failure to submit a Medicaid application supplemental questionnaire, and excess income.
4. MDHHS failed to request verification of income or a supplemental questionnaire from Petitioner's AR.

5. MDHHS failed to establish Petitioner had excess income.
6. On [REDACTED], Petitioner's AHR requested a hearing to dispute the denial of MA benefits.

### **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 MA benefits. MDHHS presented a Health Care Coverage Determination Notice (Exhibit 1, pp. 1-3) dated [REDACTED]. The notice listed three different reasons for denying Petitioner's application for MA benefits.

Two of the reasons for denial were alleged failures by Petitioner to provide information. MDHHS alleged Petitioner failed to submit verification of income and a Medicaid application supplemental questionnaire (see Exhibit 1, pp. 4-6).

[For all programs, MDHHS is to] use the DHS-3503, Verification Checklist to request verification. BAM 130 (July 2016), p. 3. [MDHHS must] allow the client 10 calendar days (or other time limit specified in policy) to provide the verification that is requested. *Id.*, p. 6. [MDHHS] must tell the client what verification is required, how to obtain it, and the due date.... *Id.*, p. 3.

For purposes of this decision, it will be assumed that income verification and a Medicaid supplemental questionnaire are required for application processing. It was not disputed that MDHHS mailed Petitioner a VCL requesting both items. For purposes of this decision, it will be assumed that Petitioner failed to return both documents. These considerations tend to support a finding that MDHHS properly denied Petitioner's application.

Petitioner's AHR testified that her nephew was disabled due to various cognitive impairments. Presumably, that is why Petitioner's application listed an AR.

An authorized representative (AR) is a person who applies for assistance on behalf of the client and/or otherwise acts on his behalf (for example, to obtain FAP benefits for

the group). BAM 110 (July 2016), p. 9. The AR assumes all the responsibilities of a client; see BAM 105. *Id.*

Clients must cooperate with the local office in determining initial and ongoing eligibility. BAM 105 (October 2016), p. 9. This includes completion of necessary forms... *Id.*

An implied requirement of MDHHS policy is that MDHHS mail all application processing documents (e.g. VCLs, determination notices...) to the AR, when a client has an AR. The purpose for such a requirement is that the AR (when utilized) becomes the party responsible for compliance with MDHHS requests. The implied requirement makes particular sense for disabled clients who are physically or mentally unable to respond to MDHHS requests (as alleged by Petitioner's AHR).

MDHHS testimony conceded Petitioner's application reported an authorized representative. MDHHS conceded that requests for income and a supplemental questionnaire were sent to Petitioner, not his AR. MDHHS testimony further conceded that the denial notice was not sent to the AR. The failure by MDHHS to mail all application processing documents to the AR renders the application denial to be improper- at least concerning Petitioner's alleged failures to provide information.

MDHHS also alleged an application denial was justified for a third reason. The denial notice stated that excess income supported the application denial. It is curious how MDHHS could have denied an application based on a failure to verify income and excess income, but that wasn't the most significant shortcoming in MDHHS' case presentation.

MDHHS failed to provide proof of Petitioner's income. MDHHS also failed to provide any budgets to verify which Medicaid categories were considered.

Petitioner did not present any evidence to support eligibility; thus, it cannot be stated that Petitioner is eligible for Medicaid through any category. It can be stated that MDHHS failed to meet the burden to support a denial based on excess income.

### **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 for MA benefits. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Re-register Petitioner's application dated [REDACTED]
- (2) Reprocess Petitioner's application subject to the following findings:
  - a. MDHHS failed to establish a proper denial based on a Petitioner failure to submit a supplemental questionnaire and/or proof of income due to MDHHS' failure to mail the request for documents to Petitioner's AR; and
  - b. MDHHS failed to establish a denial based on excess income.

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



CG/hw

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**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]

**Authorized Hearing Rep.**

[REDACTED]

**Petitioner**

[REDACTED]