



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR



Date Mailed: May 1, 2017  
MAHS Docket No.: 17-002487  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

### **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 April 6, 2017, from Lansing, Michigan. The Petitioner was represented by herself. Petitioner's husband [REDACTED] [REDACTED] also appeared. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] FIM. Department Exhibit 1, pp. 1-61 was received and admitted. Petitioner Exhibit A, pp.1-20 was received and admitted.

### **ISSUE**

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

### **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 and Medicare Cost Share on December 2, 2016.
2. A Healthcare Coverage Supplemental Questionnaire was sent to Petitioner on December 2, 2016.
3. On December 14, 2016, a Verification Checklist was sent to Petitioner with a December 27, 2016, due date requesting information about her life insurance policy.(Dept. Ex. 1, pp.33-34)

4. On January 4, 2017, the Department determined that Petitioner was not eligible because she failed to provide requested verifications. No notice was sent as a result of a statewide error.
5. On February 16, 2017, a Health Care Coverage Determination Notice was sent to Petitioner informing her that benefits were denied because “Did not receive current cash surrender value of life insurance policies.”
6. On February 27, 2017, Petitioner requested hearing disputing the denial of MA and Medicare Cost Share.

### **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.

Send a case action notice when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed. BAM 130 (October 2016)

In this case, Petitioner provided documentation regarding her life insurance on December 27, 2016, prior to the deadline on the verification checklist. (Pet. Ex. A, pp.5-10) Petitioner provided additional information about her life insurance policy on February 27, 2017.(Pet. Ex.A, pp.11-15) Petitioner provided information regarding her husband’s life insurance policy at hearing. (Pet. Ex. A. pp. 16-20) The Department case worker was not available to testify at hearing and the Department representative could not explain why the application was denied for failing to verify [REDACTED] [REDACTED] life insurance case surrender value if that information was not requested in the December 14, 2016, verification checklist. (Dept. Ex. 1, pp. 33-34) The Department has all necessary information regarding the life insurance policies of [REDACTED] [REDACTED] and [REDACTED] [REDACTED] to process the application. The undersigned Administrative Law Judge cannot find that Petitioner failed or refused to provide requested verifications, therefore the denial on that basis was improper and incorrect. BAM 130

**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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's MA and Medicare Cost Share program applications for failing to provide verifications.

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. Reinstate and reprocess Petitioner's application for MA and Medicare Cost Share.
2. Award benefits going back to the date of application if Petitioner is found eligible.

AM/mc



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**Aaron McClintic**

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]