



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: May 5, 2017
MAHS Docket No.: 17-004768
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 May 3, 2017, from Lansing, Michigan. Petitioner appeared and represented herself. [REDACTED] [REDACTED] Hearing Facilitator, appeared on behalf of the Department of Health and Human Services (Department). [REDACTED] [REDACTED] Eligibility Specialist, appeared as a witness for the Department, but she did not offer any testimony.

The Department offered the following exhibits which were marked and admitted into evidence: [Department's Exhibit A: Redetermination dated February 4, 2017, Department's Exhibit B: Bank Statements from [REDACTED] [REDACTED] dated March 9, 2017, Department's Exhibit C: Health Care Coverage Determination Notice dated March 24, 2017, Department's Exhibit D: Health Care Coverage Determination Notice dated April 12, 2017, Department's Exhibit E: Bridges SOLQ, Bridges Case Comments-Summary, Bridges Unearned Income Budget-Summary, Bridges Room & Board Income Budget-Summary, and Electronic Case File].

Petitioner did not offer any exhibits into evidence.

The record closed at the conclusion of the hearing.

ISSUE

Did the Department properly determine that Petitioner's Medical Assistance (MA) and Medicare Cost Share (MCS) benefits should close due to failure to timely and properly return requested verifications?

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 active for MA (G2S) and MCS benefits. [Hearing Testimony].
2. On February 4, 2017, the Department mailed Petitioner a Redetermination form concerning her Food Assistance Program, MA and MCS benefits. [Department's Exhibit A, pp. 1-8].
3. On February 14, 2017, Petitioner returned the completed Redetermination form, which among other things, listed that she had assets held in an account through [REDACTED]. [Dept. Exh. A, pp. 7-8].
4. The Department, on March 13, 2017, received a bank statement from [REDACTED] (account ending in # [REDACTED] which indicated a balance of \$ [REDACTED] as of March 9, 2017. [Dept. Exh. B].
5. On March 24, 2017, the Department mailed Petitioner a Verification Checklist (DHS-3503), which requested verifications of Petitioner's property taxes, home insurance, and room and board. The DHS-3503 form was unambiguous concerning what was requested and indicated that the verifications were due on or before April 3, 2017. [Dept. Exh. C, pp. 3-4].
6. On March 24, 2017, the Department mailed Petitioner a Health Care Coverage Determination Notice, which indicated that Petitioner was not eligible for health care coverage due to excess income. However, this notice was sent to Petitioner in error because Petitioner's MA and MCS cases had not been closed. [Dept. Exh. C, Hrg. Test.].
7. On April 3, 2017, the Department received a copy of Petitioner's summer 2016 property tax bill. [Petitioner's Request for Hearing].
8. The Department did not receive all of the requested verifications before the April 3, 2017 due date. [Hrg. Test.].
9. The Department received Petitioner's request for a hearing to dispute the closure of her health care coverage on April 3, 2017. [Petitioner's Request for Hearing].
10. On April 12, 2017, the Department mailed Petitioner a Health Care Coverage Determination Notice, which indicated that Petitioner's health care coverage (presumably her MA and MCS cases) would be closed effective May 1, 2017, due to failure to return requested verifications. [Dept. Exh. D].

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.

Medicare is a federal health insurance program administered by the Social Security Administration (SSA). Medicare has three parts: Part A, hospital insurance (HI), and Part B, supplementary medical insurance (SMI), Part D, prescription drug coverage. A person receiving Medicare may have to pay a monthly premium for his Medicare. A person is also responsible for some of the cost of Medicare-covered services. These costs are called coinsurances and deductibles. BAM 810 (10-1-2016), p. 1.

Medicaid coverage includes Medicare cost-sharing benefits. This means Medicaid pays Medicare Part B premiums or Part A and B premiums, coinsurances and deductibles for certain Medicaid recipients. A person who can receive Medicare Part A free of charge is encouraged to apply for it. BAM 810, p. 1. [Emphasis in original].

Medicare Savings Programs are SSI-related MA categories. BEM 165 (1-1-2016), p. 1. The three MSP categories are: (1) Qualified Medicare Beneficiaries (QMB); (2) Specified Low-Income Medicare Beneficiaries (SLMB); and (3) Additional Low-Income Medicare Beneficiaries (ALMB). QMB pays for Medicare premiums (Medicare Part A and Medicare Part B), Medicare coinsurances and Medicare deductibles. SLMB pays Medicare Part B premiums. ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2.

In the instant matter, Petitioner requested a hearing because she disputed the Department's decision to close her MA and MCS cases due to failure to return all requested verifications. The Department, on the other hand, contends that although the March 24, 2017, DHS-1606 was not sent properly, the DHS-1606 sent on April 12, 2017, was proper because Petitioner failed to turn in all requested verifications concerning property taxes, home insurance, and room and board.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, (4-1-2017) p. 1. The Department will

obtain verification when: (1) required by policy¹; (2) required as a local office option²; or (3) Information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party. Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. BAM 130, p. 1.

When obtaining verifications, the Department must tell the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. The Department often uses the DHS-3503, Verification Checklist (VCL) to request verification. BAM 130, p. 3.

The client must obtain required verification, but the local office must assist if they need and request help. BAM 130, p. 3. If neither the client nor the local office can obtain verification despite a reasonable effort, [the Department worker should] use the best available information. If **no** evidence is available, [the Department worker should] use your best judgment. BAM 130, p. 3.

For Medicaid, the Department shall allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. If the client cannot provide the verification despite a reasonable effort, extend the time limit up to two times. BAM 130, p. 8. Verifications are considered to be timely if received by the date they are due. BAM 130, p. 10.

This Administrative Law Judge has carefully considered and weighed the testimony and other evidence in the record. Here, there was no dispute that the Department sent Petitioner a verification checklist requesting verifications for property taxes, home insurance, and room and board. The verifications were due on or before April 3, 2017. [Dept. Exh. C, pp. 3-4]. According to this record, the only documents the Department received from the Petitioner was a bank statement from ██████████ ██████████ (account ending in # ██████████ received March 13, 2017, and a copy of Petitioner's summer 2016 property tax bill received on April 3, 2017. [See Dept. Exh. B and Req. for Hrg]. Based on this record, Petitioner failed to send the Department all requested verifications before the April 3, 2017, due date including home insurance, and room and board. There is no evidence in the record that Petitioner requested assistance or an extension of time to submit these verifications. The Petitioner did not return all requested verifications before the April 3, 2017 deadline. Although Petitioner indicated at the hearing that she did not understand what was required, the record evidence does not show that she communicated these concerns with the local office prior to the verification due date.

¹ Bridges Eligibility Manual (BEM) items and MAGI policy specify which factors and under what circumstances verification is required.

² The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for Medicaid Assistance (MA).

Based on the material, competent and substantial evidence on the whole record, this Administrative Law Judge finds that the Department was correct when it closed Petitioner's MA and MCS cases.

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 closed Petitioner's MA and MCS cases for failure to properly return requested verifications.

DECISION AND ORDER

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

IT IS SO ORDERED.

CAP/mc



C. Adam Purnell
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]

[REDACTED]

Petitioner

[REDACTED]