



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: August 17, 2017
MAHS Docket No.: 17-007100
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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; 42 CFR 438.400 to 438.424; 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 July 20, 2017, from Lansing, Michigan. Petitioner was represented by himself and his daughter and Authorized Representative, [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED] Assistance Payments Worker.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) and the MA Medical Savings Program (MSP)?

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 March 2, 2017, Petitioner applied for MA and MSP.
2. Petitioner received Social Security RSDI benefits of \$ [REDACTED] a month with the payment of MA Part B for a monthly unearned income of \$ [REDACTED]. Department Exhibit 1, pgs. 11-15.
3. Petitioner receives a pension from [REDACTED] of \$ [REDACTED] per month. Department Exhibit 1, pgs. 14-15.

4. On April 12, 2017, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS 1606, that Petitioner was not eligible for MSP due to excess income from January 1, 2017, ongoing. His annual income was \$ [REDACTED] and the program limit was \$ [REDACTED] Department Exhibit 1, pgs. 8-10.
5. On April 25, 2017, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS 1606, that Petitioner was not eligible for MA from January 1, 2017, ongoing because of verification of unearned income was not returned and the value of his countable assets were higher than allowed for this program. His annual income was \$ [REDACTED] and the program limit was \$ [REDACTED] Department Exhibit 1, pgs. 4-7.
6. On May 19, 2017, the Department received a hearing request from Petitioner, contesting the Department's negative action.

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.

In this case, Petitioner applied for MA and MSP on March 2, 2017. Petitioner received Social Security RSDI benefits of \$ [REDACTED] a month with the payment of MA Part B for a monthly unearned income of \$ [REDACTED] Department Exhibit 1, pgs. 11-15. Petitioner receives a pension from [REDACTED] of \$ [REDACTED] per month. Department Exhibit 1, pgs. 14-15. On April 12, 2017, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS 1606, that Petitioner was not eligible for MSP due to excess income from January 1, 2017, ongoing. His annual income was \$ [REDACTED] and the program limit was \$ [REDACTED] Department Exhibit 1, pgs. 8-10. On April 25, 2017, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS 1606, that Petitioner was not eligible for MA from January 1, 2017, ongoing because of verification of unearned income was not returned and the value of his countable assets were higher than allowed for this program. His annual income was \$ [REDACTED] and the program limit was \$ [REDACTED] Department Exhibit 1, pgs. 4-7. On May 19, 2017, the Department received a hearing request from Petitioner,

contesting the Department's negative action. RFT 242. BEM 163, 166, 400, and 500. BAM 115.

During the hearing, the Department stated that Petitioner was denied for excess income not excess assets because required verifications were not submitted. This Administrative Law Judge did not see a Verification Checklist, DHS 3503, in the hearing packet that the Department requested additional verification. The burden is on the Department that they followed Department policy and procedures.

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 determined the Petitioner's eligibility for MA and MA MSP.

DECISION AND ORDER

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 of initiating a redetermination of Petitioner's eligibility for MA and MA MSP based on his application dated March 2, 2017, by sending out a Verification Checklist, DHS 3503 for the required verification to determine MA and MA MSP eligibility.

Based on policy, the Department should provide Petitioner with written notification of the Department's revised eligibility determination and issue Petitioner any retroactive benefits he may be eligible to receive, if any.



CF/md

Carmen G. Fahie
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 signature block for DHHS]

Petitioner

[Redacted signature block for Petitioner]

Authorized Hearing Rep.

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