



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: July 28, 2017
MAHS Docket No.: 17-006637
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 6, 2017, from Detroit, Michigan. The Petitioner did not appear for the hearing. Petitioner was represented by his Authorized Hearing Representative (AHR) [REDACTED]. The Department of Health and Human Services (Department) was represented by Julie McLaughlin, Hearing Facilitator and Sharon Harris, Case Worker.

ISSUE

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

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 or around [REDACTED], 2017, Petitioner submitted an application for MA benefits. (Exhibit A, p. 3)
2. On March 4, 2017, the Department sent Petitioner a Health Care Coverage Supplemental Questionnaire (Questionnaire) that he was instructed to complete and return to the Department by March 15, 2017. (Exhibit A, pp. 4-6)
3. On March 9, 2017, the Department received a facility admission notice indicating that Petitioner was admitted to a nursing facility on March 8, 2017. (Exhibit A, p. 7)

4. On March 22, 2017, the Department received the completed Questionnaire on which Petitioner reported assets consisting of checking and savings accounts and life insurance policies. (Exhibit A, p. 5)
5. On April 4, 2017, the Department sent Petitioner a Verification Checklist (VCL) instructing him to submit proof of his life insurance policies by April 14, 2017. The VCL informed Petitioner that acceptable verification would be the actual insurance policy, a statement from the insurance company or a DHS-4786, Life Insurance Verification. (Exhibit A, pp. 10-11)
6. On April 12, 2017, Petitioner's AHR contacted the Department requesting an extension to submit the requested verifications. The Department granted the extension request, allowing Petitioner 10 additional days to submit the verification of life insurance. (Exhibit A, p. 12)
7. On or around April 12, 2017, Petitioner's daughter submitted a signed statement indicating that her father had transferred his life insurance policies to her because she was caring for him prior to his moving to a nursing home. The statement also indicates that Petitioner contacted the insurance company and requested the life insurance information. (Exhibit 1)
8. Petitioner failed to timely return sufficient verification of his life insurance policies by the extended due date.
9. On April 25, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice advising him that his application was denied on the basis that he failed to return verification of his life insurance policies. (Exhibit A, pp. 13-15)
10. On May 3, 2017, Petitioner requested a hearing disputing the Department's actions.

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.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (April 2017), p.1. To request verification of information, the Department sends a verification checklist (VCL) which tells the client what verification is required, how to obtain it, and the due date. BAM 130, p. 3. Although the client must obtain the required verification, the Department must assist if a client needs and requests help. If neither the client nor the Department can obtain the verification despite a reasonable effort, the Department is to use the best available information; and if no evidence is available, the Department is to use its best judgment. BAM 130, pp. 3-4.

For MA cases, clients are given 10 calendar days to provide the verifications requested by the Department. BAM 130, pp.7-9. If the client cannot provide the verification despite a reasonable effort, the Department is to extend the time limit to submit the verifications up to two times. BAM 130, pp. 7-9. Verifications are considered to be timely if received by the date they are due. BAM 130, pp.7-9. The Department will send a negative action notice when the client indicates refusal to provide a verification, or the time period given has elapsed. BAM 130, pp. 8-9.

In this case, the Department testified that because acceptable verification of the life insurance policy was not returned by the extended due date, it sent Petitioner a Health Care Coverage Determination Notice advising him that his MA application was denied based on a failure to verify requested information. The Department testified that the signed statement was insufficient, as it did not contain the required face value and cash surrender value information needed to determine Petitioner's asset eligibility for MA. At the hearing, Petitioner's AHR confirmed that in response to the VCL, she sent the Department a letter signed by Petitioner indicating that he transferred the life insurance policies to her, as she was caring for him. (Exhibit 1). Petitioner's AHR did not establish that she or Petitioner sent the Department the requested verification of life insurance that contained the required information by the due date.

Although the Health Care Coverage Determination Notice also indicates that Petitioner is ineligible for MA effective March 1, 2017, based on a transfer of assets for less than fair market value, this denial basis was not addressed at the hearing, as the Department testified that Petitioner's MA eligibility could not actually be determined because he failed to return verification of his life insurance asset information.

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 because verification of life insurance information was not received, the Department acted in accordance with Department policy when it denied Petitioner's MA application. Petitioner is advised that he is entitled to submit a new application to have his MA eligibility determined.

DECISION AND ORDER

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



ZB/tlf

Zainab A. Baydoun
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

Via Email:

MDHHS-Muskegon-Hearings
BSC4 Hearing Decisions
EQAD
M. Best

Via First-Class Mail:

Petitioner

[REDACTED]

Authorized Hearing Rep.

[REDACTED]