



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR

[REDACTED]

Date Mailed: March 27, 2018
MAHS Docket No.: 18-000465
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 March 14, 2018, from Detroit, Michigan. The Petitioner was represented by [REDACTED], Authorized Hearing Representative (AHR). [REDACTED], Petitioner's husband, also appeared at the hearing. The Department of Health and Human Services (Department) was represented by [REDACTED], Eligibility Specialist and [REDACTED], Assistance Payments Worker.

ISSUE

Did the Department properly deny Petitioner's application for Medical Assistance (MA) benefits for failing to verify asset information?

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 about August 30, 2017, Petitioner's husband submitted an application for MA benefits.
2. On November 7, 2017, the Department sent Petitioner a Verification Checklist (VCL) requesting information including value of any 401(k) accounts.
3. The requested proofs were due on or before November 17, 2017.
4. On November 17, 2017, Petitioner's AHR requested an extension until November 27, 2017.

5. The extension was granted.
6. Prior to the expiration of the extended due date, the Department received a statement showing that as of 2012, the 401(k) balance was zero.
7. On December 26, 2017, the Department sent Petitioner a Health Care Coverage Determination Notice which notified Petitioner's AHR that the application for MA benefits had been denied.
8. On January 12, 2018, Petitioner's AHR submitted a Request for 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. In this case, on or about August 30, 2017, Petitioner's husband applied for MA benefits on behalf of Petitioner. Petitioner's AHR acknowledged receipt of the VCL. Petitioner's husband was experiencing difficulty obtaining verification that the 401(k) account had a zero balance and was closed in 2012. On November 17, 2017, Petitioner's AHR requested an extension, indicating that Petitioner's husband was having difficulty obtaining the necessary 401(k) information. The extension was granted and the information was due on November 27, 2017.

Petitioner's AHR did not request any additional extensions. Petitioner's AHR testified that Petitioner's husband continued to experience difficulty obtaining the required information and as a result, submitted the best information available at the time. The Department acknowledged it received a 401(k) balance statement showing a zero balance as of 2012. The Department testified that it did not reach out to Petitioner's husband and/or AHR to ascertain whether the balance submitted was an accurate reflection of the current balance. The Department further testified that after it denied the application, it received confirmation that the 401(k) account was closed.

Under Department policy, the Department sends a negative action notice when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 7.

Given that Petitioner's AHR requested an extension in an effort to obtain the required information, submitted the most up-to-date information available at the time and continued to attempt to obtain verification of the closed account, it is found that a reasonable effort was made to provide to the requested information.

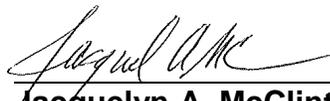
DECISION AND ORDER

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:

1. Reregister and reprocess Petitioner's application for MA benefits;
2. If Petitioner was eligible for supplements, the Department is to Issue any supplements Petitioner may have been eligible for but did not receive; and
3. Notify Petitioner's AHR in writing of its decision.

JAM/tlf



Jacquelyn A. McClinton
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:

[REDACTED]

Authorized Hearing Rep.

- **Via First-Class Mail:**

[REDACTED]

Petitioner

- **Via First-Class Mail:**

[REDACTED]