



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED], MI [REDACTED]

Date Mailed: October 11, 2018  
MAHS Docket No.: 18-007356  
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; 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 September 11, 2018, from Lansing, Michigan. The Petitioner was represented by Attorney [REDACTED]. The Department of Health and Human Services (Department) was represented by Assistant Attorneys General Emanuel Awuta-Coker and Dan Beaton. Department Exhibit 1, pp. 1- 37 was received and admitted.

### **ISSUE**

Did the Department properly deny Petitioner's Medical Assistance (MA) application for failing to return 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. On January 25, 2018, Petitioner requested an Initial Asset Assessment.
2. On January 29, 2018, Petitioner was mailed a verification checklist requesting asset verification including request for life insurance policy. (Exhibit 1, pp. 17-18)
3. On February 1, 2018, Petitioner submitted some verifications by email and requested a life insurance verification from the State of Michigan.
4. On February 21, 2018, an extension request was received by the Department. An extension was granted, and the new due date was March 5, 2018.

5. On March 8, 2018, another extension was granted with a new due date of March 19, 2018.
6. On March 19, 2018, another extension was granted with a new due date of March 29, 2018.
7. On March 28, 2018, Petitioner submitted a request for assistance with obtaining the life insurance policy verification.
8. A DHS-4786 Life Insurance Verification Form was sent to Petitioner's Power of Attorney on April 2, 2018.
9. On April 2, 2018, a verification checklist was sent to Petitioner with a due date of April 12, 2018.
10. On May 11, 2018, a Benefit Notice was sent to Petitioner informing her that "IAA denied 4/20/18". The explanation reads "Failure to return all verifications needed to determination (sic) initial asset assessment." (Exhibit 1, pp. 35-36)
11. On May 22, 2018, Petitioner requested hearing contesting the denial of MA benefits.

### **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.

#### **Obtaining Verification**

##### **All Programs**

Tell the client what verification is required, how to obtain it, and the due date; see Timeliness of Verifications in this item. Use the DHS-3503, Verification Checklist (VCL), to request verification.

Exception: For Food Assistance Program (FAP) only, if there is a system-generated due date on the verification form such as a DHS-3688, Shelter Verification, a verification checklist is not required to be sent with the verification form.

Use the DHS-3503C, Verification Checklist for Citizenship/Identity, to request documentation of citizenship or identity for FIP, SDA or MA determinations.

The client must obtain required verification, but the local office must assist if they need and request help.

If neither the client nor the local office can obtain verification despite a reasonable effort, use the best available information. If no evidence is available, use your best judgment.

### **Medicaid**

Allow the client 10 calendar days (or other time limit specified in policy) to provide the verification requested. Refer to policy in this item for citizenship verifications. If the client cannot provide the verification despite a reasonable effort, extend the time limit up to two times.

At renewal if an individual is required to return a pre-populated renewal form, allow 30 calendar days for the form to be returned.

At application, renewal, ex parte review, or other change, explain to the client/authorized representative the availability of your assistance in obtaining needed information. Extension may be granted when the following exists:

- The customer/authorized representative need to make the request. An extension should not automatically be given.
  
- The need for the extension and the reasonable efforts taken to obtain the verifications are documented.
  
- Every effort by the department was made to assist the client in obtaining verifications.

Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or MI Bridges document upload), the date of the transmission is the receipt date.

Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a MDHHS representative are considered to be received the next business day.

Send a case action notice when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed. BAM 130

In this case, the Department's position is that Petitioner was required to verify her life insurance policy to determine who the owner was, the face value and the current cash surrender value. The Department asserts that Petitioner was given adequate opportunity to provide the verifications including giving numerous extensions. The Department also provided a life insurance verification form, in an effort to obtain the information.

Petitioner's position is that Petitioner's Power of Attorney and her attorney made every effort to obtain the verifications for the life insurance company but were unable to do so through no fault of their own. Petitioner's Attorney points out that the life insurance verification form was sent to Petitioner's Power of Attorney when it should have been sent to Petitioner's Attorney. Petitioner's Attorney points out that the life insurance verification information was later provided with a subsequent application and confirmed that the life insurance policy has no cash surrender value.

Petitioner was required to verify her life insurance policy. The Department gave several extensions and provided the life insurance verification form. It is unclear what additional assistance the Department could have provided. At some point, the Department had to process the application based on the information provided to them. After a reasonable number of extensions had been given it was proper and correct for the Department to make a determination on May 11, 2018. Because the life insurance policy had not been verified and Petitioner was given notice and opportunity to provide verification and she failed to do so it was proper and correct for the Department to deny the application for failing to return verifications. BAM 130

Petitioner's attorney raised issues with the life insurance verification form being sent to Petitioner's Power of Attorney. The case worker was communicating directly with the Power of Attorney and sent the form to the Power of Attorney assuming that she would obtain the verification herself or if not, she would provide the form to Petitioner's attorney. Petitioner's attorney was on notice that the life insurance policy needed to be verified prior to the form being sent to the Power of Attorney on April 2, 2018. Petitioner's Attorney and her Power of Attorney were given adequate notice regarding what verifications were needed and were given adequate time to provide the verifications.

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 denied Petitioner's MA application for failing to return verifications.

### **DECISION AND ORDER**

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

AM/bb



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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) 763-0155; 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

**Counsel for Respondent**

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**Petitioner**

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