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GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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Date Mailed: February 14, 2019
MAHS Docket No.: 18-013913
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 February 13, 2019, from Detroit, Michigan. The Petitioner was represented by herself, and ██████████ also appeared as a witness. The Department of Health and Human Services (Department) was represented by Charletta Toteh, Services Supervisor.

ISSUE

Did the Department properly deny the Petitioner's application for Medical Assistance (MA) for failure to verify 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. The Petitioner applied for MA of ██████████ 2018. Petitioner ██████████ applied for herself, and she is married to ██████████.
2. On November 9, 2019, the Department received computer interface information from the asset detection service regarding a ██████████ checking account and savings account for a joint account in the name of ██████████ and ██████████ account ending in (3791), which contained \$ ██████████ as of October 1, 2018, and \$ ██████████ in savings. The accounts were listed at the Petitioner's address. (Exhibit A.)

3. The Department sent the Petitioner a Verification Checklist (VCL) on November 9, 2018, requesting checking account information for [REDACTED] (Exhibit B.)
4. The Petitioner did not disclose or verify the [REDACTED] bank accounts when responding to the VCL but only responded regarding a [REDACTED] account.
5. The Department issued a Health Care Coverage Determination Notice (HCCDN) on December 14, 2018, denying the Petitioner's MA application due to failure to provide verification.
6. The Petitioner requested a timely hearing on December 21, 2018, protesting the denial of the MA application.

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, at the time of Petitioner's application for MA, an Asset Detection Service identified [REDACTED] checking and savings accounts in Petitioner's and her husband's names. The period reviewed by the service was for November 2017 through November 2018. Department policy provides:

The Department will utilize an asset verification program to electronically detect unreported assets belonging to applicants and beneficiaries.

Asset detection may include the following sources at financial institutions: checking, savings, and investment accounts, IRAs, treasury notes, certificates of deposit (CDs), annuities and any other asset that may be held or managed by a financial institution.

Asset detection will be requested by sending the required fields, name, Social Security Number, and address, to the asset detection program. This request may occur at any day and time during the month. BEM 400 (May 2018), p. 1.

The Department must consider assets in determining an individual's eligibility for all Supplemental Security Income (SSI)-related MA categories to determine if the applicable countable assets exceed the asset limit for the applicable MA program. Assets consist of cash, personal property and real property. BEM 400, pp. 1-2.

In this case, the Department denied the Petitioner's application when it did not receive any information from the Petitioner regarding the [REDACTED] accounts. At the time of the application, the accounts had not been closed; and at no time was the account disclosed to the Department by Petitioner. At the hearing, the Petitioner conceded that the account was not disclosed or discussed with the Department or verified by Petitioner in any way. The Petitioner and her husband testified that the account money belonged to an African Company, the [REDACTED] and the funds were not their money but were used to pay for taxes on the properties (real estate) owned by the trust. The Petitioner did not provide any information at the hearing to show how the funds in the accounts, totaling over \$ [REDACTED] had been spent and provided no checks to verify how the funds were spent. The Petitioner further testified that the accounts had been closed, and no funds were remaining. The Petitioner also presented a document at the hearing appointing Petitioner's husband, [REDACTED] as trustee of the [REDACTED] which indicated that the trustee received no fee for the services, and that the beneficiaries were nonresidents of the United States and that trust monies received were for payment of taxes and expenses, and that the investment was not income producing and the investment were not marital assets of [REDACTED]. This document was not submitted to the Department at the time of its determination denying the MA application. (Petitioner Exhibit 1.)

The Department sent a verification checklist (VCL) to Petitioner as part of her application requesting copies of all bank statements for checking accounts. The verifications were due on November 19, 2018. Because no [REDACTED] account information was received, the Department denied the Petitioner's MA application.

Department policy requires that verifications be responded to by applicants and that verifications must be timely received:

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 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.

Send a case action notice when:

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

Only **adequate** notice is required for an application denial. **Timely** notice is required to reduce or terminate benefits. BAM 130, (April 2017), pp. 8-9.

Because the Department did not receive bank account information for the [REDACTED] accounts by the VCL due date, the Department correctly denied the application for failure to provide the requested verification.

As explained at the hearing, the Petitioner may reapply for MA but must provide the bank account information and demonstrate that the funds were used to pay for properties owned by others and that they have no interest in the properties and/or that none of the funds were used for their personal expenses or use.

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 the Petitioner's MA application for failure to provide verification of request bank account information.

DECISION AND ORDER

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

LMF/jaf



Lynn M. Ferris

Administrative Law Judge
for Robert Gordon, 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

DHHS

Dora Allen
MDHHS-Wayne-76-Hearings

Authorized Hearing Rep.

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

Petitioner

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