



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS
DIRECTOR

K [REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: August 12, 2020
MOAHR Docket No.: 20-003913
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 22, 2020, from Trenton, Michigan. Petitioner participated and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Leandra Broaden, specialist.

ISSUE

The issue is whether MDHHS properly terminated Petitioner's Medicaid and Medicare Savings Program (MSP) eligibility.

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 [REDACTED], 2020, Petitioner applied for Medical Assistance (MA) benefits. Petitioner was non-pregnant, with no minor tax dependents, disabled, and a recipient of Medicare.
2. On February 25, 2020, MDHHS mailed Petitioner a Verification Checklist requesting proof of checking accounts. A due date of March 6, 2020, was stated.
3. On March 10, 2020, MDHHS denied Petitioner's application due to a failure to receive proof of one of Petitioner's checking account.
4. As of March 10, 2020, Petitioner did not submit to MDHHS proof of all checking accounts in her name.
5. On [REDACTED] 2020, Petitioner requested a hearing to dispute the denial of Medicare.

CONCLUSIONS OF LAW

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute the denial of an application requesting MA benefits. Exhibit A, p. 4. MA includes programs for Medicaid (a health insurance) and MSP (a program to pay for Medicare premiums). Petitioner sought eligibility for each program. A Health Care Coverage Determination Notice dated March 10, 2020, stated that Petitioner was denied Medicaid and MSP due to a failure to verify unspecified information.¹ Exhibit A, pp. 12-14. MDHHS testified that Petitioner specifically failed to verify her checking accounts.

The Medicaid program includes several sub-programs or categories. BEM 105 (April 2017), p. 1. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

MAGI categories do not require proof of assets. BEM 400 (January 2020) p. 3. MDHHS is to consider assets in determining eligibility for SSI-Related categories. *Id.*, p. 1. Accordingly, the first consideration will be to determine the Medicaid categories for which Petitioner was eligible, for the purpose of determining if Petitioner was obligated to verify assets.

At the time of her application, Petitioner was non-pregnant, with no minor tax dependents, disabled, and a recipient of Medicare. Petitioner's circumstances render her ineligible for all MAGI-related Medicaid categories. Petitioner is potentially eligible for the SSI-Related categories of AD-Care (see BEM 163) and MSP (see BEM 165). As Petitioner is only potentially eligible for SSI-Related categories, MDHHS properly sought to request verification of assets from Petitioner.

For all programs, MDHHS is to inform the client what verification is required, how to obtain it, and the due date. BAM 130 (April 2017), p. 3. MDHHS is to use the DHS-3503, Verification Checklist (VCL), to request verification. *Id.* For Medicaid, MDHHS is

¹ The notice additionally stated that Petitioner had excess income. During the hearing, MDHHS did not allege that excess income was a proper basis for application denial.

to allow the client 10 calendar days to provide the verification that is requested. *Id.*, p. 8. MDHHS may send a negative action notice when:

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

MDHHS mailed Petitioner a VCL on February 25, 2020, requesting proof of “Checking Account”, giving Petitioner until March 6, 2020, to return verification. Exhibit A, p. 10. At the time of VCL, Petitioner had at least two checking accounts in her name. For one account, Petitioner returned verification; for a second account, Petitioner did not. MDHHS contended that Petitioner’s application was properly denied due to Petitioner’s failure to return verifications for all checking accounts in her name.

Petitioner testified that she uses only one checking account for herself. Petitioner testified that the checking account for which she did not return verification is in her name, but she opened it only as a favor for family members. Petitioner further testified that the account was only opened so her the underaged niece and nephew could use the account. Petitioner testified that she had forgotten that the checking account was in her name due to non-use of the account.

Petitioner’s testimony concerning her second checking account was questionable. It was not clear why the bank of the unverified account would not allow a minor joint account holder. It was also not clear why the account remains in Petitioner’s name even though Petitioner acknowledged that her niece and nephew can now open their own bank account. Even assuming Petitioner’s testimony was credible, it does not negate that MDHHS properly requested verifications and that Petitioner failed to comply with the request.

Given the evidence, MDHHS properly denied Petitioner’s application dated [REDACTED] 2020, requesting MA benefits due to Petitioner’s failure to verify assets. Petitioner’s recourse is to reapply for MA benefits.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's application for MA benefits dated [REDACTED] 2020. The actions taken by MDHHS are **AFFIRMED**.

CG/tlf



Christian Gardocki

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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via Email:

MDHHS-Macomb-20-Hearings
BSC4 Hearing Decisions
EQAD
D. Smith
MOAHR

Petitioner – Via First-Class Mail:

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