



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED] MI [REDACTED]

Date Mailed: April 23, 2024
MOAHR Docket No.: 24-002112
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 videoconference hearing was held on April 18, 2024, from Detroit, Michigan. The Petitioner appeared for the hearing with her Authorized Hearing Representative (AHR) [REDACTED]. The Department of Health and Human Services (Department) was represented by Shana Bush, Hearing Coordinator.

ISSUE

Did the Department properly deny Petitioner's application for Medical Assistance (MA) and Medicare Savings Program (MSP) 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] 2024, Petitioner submitted an application requesting MA benefits.
2. On January 22, 2024, Petitioner submitted a DHS-1004 Health Care Coverage Supplemental Questionnaire (Questionnaire) and reported a savings account as an asset. Petitioner submitted verification of the savings account to the Department with the Questionnaire.
3. The Department reviewed the savings account statement submitted and discovered that transfers from the account were being made to a checking account with a different account number.

4. On or around January 24, 2024, the Department sent Petitioner a Verification Checklist (VCL) instructing her to submit verification of a current checking account statement by February 5, 2024. (Exhibit A, pp. 9-10)
5. On or around February 2, 2024, Petitioner resubmitted verification of the savings account but did not submit verification of the checking account. (Exhibit A, pp. 11-12)
6. On or around February 6, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) informing her that effective January 1, 2024, she was ineligible for MA and MSP benefits because she failed to provide information requested in the VCL. (Exhibit A, pp. 13-16)
7. On or around February 26, 2024, a hearing was requested on Petitioner's behalf disputing the denial of the MA application. (Exhibit A, pp. 3-4)

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.

MA is available under SSI-related categories to individuals who are aged (65 or older), entitled to Medicare, blind or disabled. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1. Asset eligibility is required for MA coverage under SSI-related MA categories. BEM 400 (July 2023), p. 1-8; BEM 105, p. 1. MSP are SSI-related MA categories. There are three MSP categories: Qualified Medicare Beneficiaries (QMB); Specified Low-Income Medicare Beneficiaries (SLMB); and Additional Low-Income Beneficiaries (ALMB). BEM 165 (October 2022), p. 1. QMB is a full coverage MSP that pays Medicare premiums (Medicare Part B premiums and Part A premiums for those few people who have them), Medicare coinsurances, and Medicare deductibles. SLMB pays Medicare Part B premiums and ALMB pays Medicare Part B premiums provided funding is available. BEM 165, pp. 1-2.

Additionally, asset eligibility is required for MA coverage under SSI-related MA categories. BEM 400 (April 2022), p. 1-2, 6; BEM 105 (January 2022), p. 1. Checking and savings accounts are assets. The Department will consider the value of cash

assets (which includes money in checking, savings, and Direct Express accounts) in determining a client's asset eligibility for MA. BEM 400, pp. 14-16.

Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (January 2023), 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, p. 3.

For MA cases, clients are given 10 calendar days (or other time limit specified in policy) 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 lapsed. BAM 130, pp. 8-9.

In this case, the Department representative testified that in connection with Petitioner's [REDACTED] 2024, application, verification of assets was requested. The Department representative testified that although Petitioner submitted verification of her savings account, upon review, it was determined that the savings account identified various transfers of funds to a separate checking account. The Department representative testified that because money was being transferred from the savings account to an unverified checking account, the Department was required to request verification of the checking account to determine if those assets were countable and available to Petitioner. The Department representative testified that on January 24, 2024, the VCL was issued, instructing Petitioner to submit verification of the checking account statement by February 5, 2024. The Department representative testified that on or around February 2, 2024, Petitioner submitted a second savings account statement but failed to submit a current checking account statement. There was no evidence presented that Petitioner requested an extension of time to submit the requested verifications or that Petitioner requested assistance from the Department to obtain the verifications. As a result, the Department issued the February 6, 2024, Notice, denying the [REDACTED] 2024, application. During the hearing, the Department representative reviewed Petitioner's electronic case file and determined that on March 5, 2024, Petitioner submitted additional bank statements which included the requested checking account statement. Although the Department representative testified that the checking account statement would have been acceptable verification, it was submitted one month after the deadline identified in the VCL.

At the hearing, Petitioner and her AHR confirmed receiving the VCL and testified that in response, the AHR went to the local office to submit verification of the checking


account. Petitioner's AHR could not remember the exact date that she submitted the checking account statement but did confirm that it was not submitted until after the application was denied.

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 Petitioner failed to timely submit verification of her checking account by the due date identified in the VCL, the Department acted in accordance with Department policy when it denied Petitioner's [REDACTED] 2024, application for MA and MSP benefits. Petitioner was informed of that she is entitled to submit a new application for MA/MSP benefits for her current eligibility to be determined.

DECISION AND ORDER

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

ZB/ml



Zainab A. Baydoun
Administrative Law Judge

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 Electronic Mail:

DHHS

Vivian Worden

Macomb County DHHS Mt. Clemens Dist.

44777 Gratiot

Clinton Township, MI 48036

MDHHS-Macomb-12-Hearings@michigan.gov

Interested Parties

BSC4

M Schaefer

EQAD

Via First Class Mail:

Authorized Hearing Rep.

[REDACTED]
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Petitioner

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