



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: June 27, 2024
MOAHR Docket No.: 24-002958
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 hearing was held by telephone on April 24, 2024 and concluded on May 29, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Kristal Grove, Assistance Payments Worker, and LaShona Callen, Assistance Payments Supervisor on April 24, 2024, and by Kristal Grove, Assistance Payments Worker on May 29, 2024.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) coverage effective September 1, 2023?

Did the Department properly issue State Emergency Relief (SER) funds on Petitioner's behalf?

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 July 25, 2023, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) notifying her that she was approved for MA subject to a monthly deductible. (Exhibit A, pp. 9 – 11).
2. On September 22, 2021, the Department issued a SER Decision Notice (SERDN), approving Petitioner for mortgage assistance in the amount of \$1,232.52 upon

receipt of proof that Petitioner paid a copayment of \$1,030 to her mortgage company (Provider). (Exhibit A, pp. 16 – 17).

- a. Petitioner timely made her copayment, and the Department added Provider to its system as a vendor for purposes of receiving the SER payment on behalf of Petitioner. (Exhibit A, p. 1).
 - b. On October 13, 2021, the Department issued a check (warrant) to Provider for Petitioner's SER mortgage assistance payment. (Exhibit A, pp. 19, 26 – 27).
 - c. In April 2023, the Department discovered that the October 2021 warrant was not cashed by Petitioner's Provider. (Exhibit A, p. 1).
 - d. November 22, 2023, the Department reissued the warrant and sent it to Petitioner's Provider. (Exhibit A, pp. 1, 5, 22, 26 – 27).
 - e. On February 12, 2024, the November 2023 warrant was returned by Provider with correspondence stating that the payment could not be processed because the warrant did not include a loan number and provided instructions for resubmitting the payment and where to mail it. (Exhibit A, pp. 22 – 26).
 - f. As of April 23, 2024, the Department reissued the warrant, and included Petitioner's loan number, to Provider.
 - g. On May 7, 2024, the April 2024 warrant was returned to the Department because it was sent to the wrong department at Provider.
3. On March 15, 2024, the Department received a request for hearing from Petitioner to dispute the amount of her MA deductible and regarding the SER funds that were to be sent to her mortgage company in 2021. (Exhibit A, pp. 4 – 5).

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).

Medical Assistance (MA)

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.

Regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in Mich Admin Code, R 792.10101 to R 792.10137 and R 792.11001 to R 792.11020. Rule 792.11002(1) states, in pertinent part, that an opportunity for a hearing will be granted upon request when the requesting party has received notice of a suspension or reduction in benefits; however, pursuant to Department policy, a client's request for hearing must be received by the Department within 90 days of the date of the written notice of case action, which includes a HCCDN. BAM 600 (February 2024), pp. 6 – 7.

In this case, Petitioner disputes a HCCDN issued July 25, 2023, regarding her MA coverage. The Department testified that there were no additional HCCDNs issued in Petitioner's case between July 25, 2023 and April 24, 2024. The Department received the hearing request from Petitioner on March 15, 2024, which is more than 90 days after the Department's decision. Therefore, Petitioner's hearing request concerning her MA coverage is untimely.

Petitioner's hearing request concerning MA was not timely filed and does not present a hearable issue and is, therefore, **DISMISSED** for lack of jurisdiction as to her MA.

State Emergency Relief (SER)

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Department of Human Services) pursuant to MCL 400.10 and Mich Admin Code, R 400.7001-.7049.

Petitioner requested a hearing regarding a SER payment she was approved to receive on September 22, 2021 for mortgage assistance. The Department has sent the SER payment to Provider multiple times but has sent it to the correct address and/or not included information identifying Petitioner's account with Provider.

When a client has been approved for SER assistance, the client's service provider must be entered into the Department's records before payment can be issued. ERM 401 (March 2021), p. 2; BAM 435 (October 2019), p. 1, (February 2022), p. 1. When the provider is entered into the Department's records, the provider's name, address, SIGMA¹ vendor code, and ID assigned to their payments address in the vender self-service portal, must correspond with their enrollment information to avoid an error and to prevent a payment from being mailed to an incorrect address. BAM 435, p. 1. If a provider needs to have multiple addresses on record with the Department, a provider may elect to have more than one provider ID; and when a provider has done so, the Department must review the enrolled name, address, and tax identification number

¹ The State of Michigan's payment processing platform.

carefully before authorizing payment, to ensure that the correct provider ID number is used. BAM 435, p. 3.

In this case, Petitioner was approved for SER assistance in the amount of \$1,232.52 on September 22, 2021. (Exhibit A, pp. 16 – 17). The Department testified that Provider was added to the Department's records for purposes of receiving the SER payment on behalf of Petitioner and that on October 13, 2021, a warrant was issued to Provider. (Exhibit A, pp. 1, 19, 26 – 27). Between April 2023 and February 2024, the Department:

- a) discovered that the October 2021 warrant was not cashed by Provider,
- b) reissued the warrant (November 2023 warrant), and
- c) received a return of the November 2023 warrant with a letter from Provider, stating that the payment could not be processed because the warrant did not include a loan number.

(Exhibit A, pp. 1, 5, 22, 26 – 27). Provider's letter also instructed that payments should be mailed to Provider at P.O. Box 37628, Philadelphia, Pennsylvania 19101-0628. (Exhibit A, pp. 24 – 25).

The Department's Provider Management Unit (PMU) is responsible for maintaining provider information and for making revisions or corrections to that information. BAM 435, p. 1. When a change in provider information is necessary, the Department must submit a completed Provider Enrollment/Change Request (DHS-2351-X) to the PMU. BAM 435, p. 1.

Here, the Department's testimony was unclear as to whether the payment address Provider included in its letter was an address of record for Provider and if not, whether the Department reported the change to PMU. At the original hearing in this case, the Department testified that the November 2023 warrant was reissued in April 2024 (April 2024 warrant) and included Petitioner's loan number but was not able to confirm what address it used for Provider. The hearing was continued to May 29, 2024 to allow time for the April 2024 warrant to be received and processed by Provider. However, at the May 29, 2024 hearing, the Department testified that the April 2024 warrant had been returned to the Department on May 7, 2024 because it was sent to Provider's accounts payable department rather than its accounts receivable department. The Department was given the opportunity to introduce a copy of the April 2024 warrant but was unable to do so.

When a SER warrant is returned and replacement is requested, the Department is to verify that the provider information in its records is correct and take action to correct the information if it is not. BAM 505 (July 2021), p. 5; BAM 435, p. 1. Department policy is silent on any obligation the Department has to include Petitioner's loan number on any warrant issued; however, given that ERM 304 provides for SER assistance with mortgage payments and that payments are to be made to the mortgage company

provider directly, rather than through the Department's client, it is implied that payments made on behalf of a client should include the client's account or loan number with Provider to ensure that it is properly credited. ERM 304 (October 2021), p. 1. There was no evidence presented to show that the Department sent the warrant to the address provided by Provider, updated Provider's address if necessary, or that the warrant included any information identifying Petitioner. (Exhibit A, pp. 22 – 23). Therefore, the Department did not satisfy its burden of showing that it acted in accordance with policy when it issued and reissued the warrants authorized by its approval of Petitioner's SER application.

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it issued the SER warrants to Provider on Petitioner's behalf.

DECISION AND ORDER

Accordingly, Petitioner's request for hearing regarding MA is **DISMISSED** and the Department's decision is **REVERSED** with respect to SER.

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:

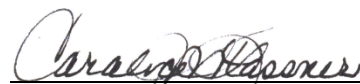
1. Confirm Provider's enrolled name, address and tax identification number;
2. If a change in provider information is necessary, submit a completed Provider Enrollment/Change Request (DHS-2351-X) to the PMU reflecting Provider's reported address of:

P.O. Box 37628
Philadelphia, Pennsylvania 19101-0628

or any more recent address as instructed by Provider; and

3. When Provider's correct address has been confirmed or updated in accordance with policy, reissue a warrant consistent with the SERDN dated September 22, 2021 and include Petitioner's loan number on the warrant.

CML/nr



Caralyce M. Lassner
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
Denise Key-McCoggle
Wayne-Greydale-DHHS
27260 Plymouth Rd
Redford, MI 48239
**MDHHS-Wayne-15-Greydale-
Hearings@michigan.gov**

Interested Parties
BSC4
J. Mclaughlin
E. Holzhausen
M. Schaefer
EQAD
MOAHR

Via-First Class Mail :

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