



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

[REDACTED]
MI [REDACTED]

Date Mailed: October 26, 2022
MOAHR Docket No.: 22-004207
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Amanda M. T. Marler

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 October 24, 2022. The Petitioner was self-represented. The Department of Health and Human Services (Department) was represented by Sara Estes, Hearings Facilitator.

ISSUE

Did the Department properly deny Petitioner's Medical Assistance (MA) Program and retroactive Medical Assistance (MA) Program applications?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. In 2016, the Department received verification of Petitioner's life insurance policy and noted a cash value of \$7,500.00.
2. On August 4, 2022, the Department received Petitioner's MA and Retroactive MA applications for benefits listing only himself on the application.
3. On August 12, 2022, the Department received a completed Health Care Coverage Supplemental Questionnaire (HCCSQ) which listed Petitioner and his grandson as household members.
4. On the same day, the Department received verification of Petitioner's checking account with a 30-day low balance of \$ [REDACTED] and savings account with a handwritten balance of \$ [REDACTED].

5. The Department did not request verification of Petitioner's life insurance policy at this time.
6. On August 23, 2022, the Department issued a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that his application had been denied due to excess assets which included \$[REDACTED] for his checking account and \$7,500.00 for his life insurance policy.
7. On September 14, 2022 the Department received Petitioner's request for hearing disputing the denial of MA benefits for himself and his grandson.
8. On September 23, 2022, the Department issued a Verification Checklist (VCL) requesting proof of Petitioner's checking and savings accounts for May through August 2022 in addition to his life insurance policy including its origin date, type of policy, face value, and balance of cash value by October 3, 2022.
9. On September 26, 2022, the Department issued another VCL to Petitioner requesting proof of his checking account for May and June 2022, savings account for May through August 2022, life insurance policy statement for May through August 2022 including the origin date, the type of policy, the face value, and the balance of the cash value by October 6, 2022.
10. On September 27, 2022, the Department issued another VCL to Petitioner requesting proof of Petitioner's checking account for May and June 2022, his savings account for May through August 2022, his life insurance policy statement for May through August 2022 including the origin date, type of policy, face value, and cash value, in addition to medical expenses by October 7, 2022.
11. On October 4, 2022, the Department received all documents except the life insurance policy verifications.
12. On October 10, 2022, the Department issued a Notice of Case Action to Petitioner informing him that his MA application and retroactive application had been denied because the Department had not received all requested verifications.
13. On October 14, 2022, the Department received Petitioner's life insurance policy verifications.
14. At the hearing, the parties agreed that the Department erred in processing the application the first time and reprocessed the application to properly request proof of all necessary items including Petitioner's life insurance policy. The parties further agreed to have the undersigned review the denial issued on October 10, 2022 of Petitioner's reprocessed 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, Petitioner disputes the denial of his MA application for benefits for himself based on his residency in [REDACTED] and exposure to the contaminated [REDACTED] water, assets, failure to return completed verifications, and for his grandson. First and foremost, Petitioner's application only listed himself as a household member and as an individual for whom benefits were requested. Therefore, because Petitioner did not list his grandson on the application for benefits, the Department was not aware of the need for MA benefits, nor could it process eligibility for Petitioner's grandson. Therefore, the Department properly omitted an eligibility determination for Petitioner's grandson.

Petitioner also disputed his denial for MA benefits for the [REDACTED] Water Group. Pursuant to policy, the [REDACTED] Water Group MA category is only available to those individuals who are under the age of 21, pregnant, or the children of pregnant women who were served by the [REDACTED] water system from April 2014 through the time that the water is deemed safe by the proper authorities. BEM 148 (May 2016), p. 1. Since Petitioner is over the age of 21, he is not eligible for the [REDACTED] Water Group. In addition, Petitioner's grandson may be eligible for the [REDACTED] Water Group MA category if he is under age 21; however, because Petitioner's grandson was not listed on the application for benefits, the Department did not and was not required to determine Petitioner's grandson's eligibility.

Next, the Department and Petitioner agree that Petitioner's application and retroactive application were processed improperly because the Notice of Case Action was issued without a proper request for verification of assets. Therefore, the parties agree that the case was reprocessed and verifications requested. Since the parties agree that the original reason for Petitioner's request for hearing was resolved by reprocessing the application and retroactive application, the issue is moot and no decision is necessary.

Finally, the parties agree that after reprocessing the case with verifications requested, the Department denied Petitioner's reprocessed application and retroactive application for failure to verify requested information. As a result, the parties have also agreed to have the undersigned review the most recent Notice of Case Action issued on October

10, 2022 rather than submitting a new request for hearing and going through the entire process again.

On September 23, 2022, September 26, 2022, and finally, September 27, 2022, the Department issued a series of VCLs and requests for verification of assets. Each subsequent VCL requested slightly more information than the previous VCL. The first request had a due date of October 3, 2022 while the final request had a due date of October 7, 2022. Petitioner was unable to identify the specific date that he sent in his verifications, but the Department credibly testified that Petitioner's bank statement verifications were received on October 4, 2022 and his life insurance policy verifications were received on October 14, 2022. Since Petitioner's life insurance policy verification was not received by the October 7, 2022 due date, the Department issued a HCCDN to Petitioner informing him that his application and retroactive application had been denied for failure to verify requested information.

In all cases, the Department must tell the client what verifications are required, how to obtain them, and the due date. BAM 130 (January 2022), p. 3. The Department is required to use the DHS-3503 VCL to request verifications. *Id.* In MA cases, clients are allowed ten calendar days to provide requested verifications. BAM 130, p. 8. If the client cannot provide the verification despite a reasonable effort, the time limit may be extended up to two times. *Id.* Extensions are not automatically given. *Id.* Instead, the client must specifically request an extension, the need and reasonable efforts taken to obtain the verifications must be documented, and every effort taken by the Department to assist the client in obtaining the verifications. *Id.* Verifications are considered timely if received by the due date. *Id.* Case action notices are sent when the time provided has lapsed. *Id.* No evidence was presented that Petitioner requested an extension of the due date. The only evidence presented was that Petitioner acted quickly to send the bank verifications and life insurance policy verifications. However, despite Petitioner's best efforts, the life insurance policy verifications were received well beyond the due date. Therefore, the Department properly denied Petitioner's MA application and retroactive MA application for failure to verify requested information by the due date.

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 failed to issue a determination of eligibility for Petitioner's grandson and when it denied Petitioner's MA and retroactive MA applications.

DECISION AND ORDER

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

AMTM/cc



Amanda M. T. Marler

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 :

Interested Parties

MDHHS-Genesee-UnionSt-Hearings
BSC2-HearingDecisions
C. George
MOAHR

Via-First Class Mail :

Petitioner

[REDACTED]
MI