



GRETCHEN WHITMER
GOVERNOR

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

MARLON BROWN
DIRECTOR

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Date Mailed: January 6, 2025
MOAHR Docket No.: 24-012369
Agency No.: ██████████
Petitioner: ██████████

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 telephone hearing was held on December 19, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Marcella Towns, Assistance Payments Worker.

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. Petitioner was previously an ongoing recipient of MA and MSP benefits. On an unverified date, Petitioner's MA and MSP cases closed.
2. On or around ██████████ 2024, Petitioner submitted an application requesting MA and MSP benefits.
3. On or around October 4, 2024, the Department sent Petitioner a Verification Checklist (VCL) Instructing her to submit proof of her earned and unearned income to the Department by October 14, 2024. The VCL informed Petitioner that she was to provide proof of the last 30 days for her employment, unemployment, social security benefits, pension, as well as proof of self-employment/expense records for the last year. Petitioner was informed that she could include copies of check stubs, self-employment records, or a statement from her source of income. (Exhibit A, pp.9-10)

4. On or around October 4, 2024, the Department sent Petitioner a Health Care Coverage Supplemental Questionnaire (MDHHS-1004) that she was instructed to complete and return to the Department with all required proofs by October 14, 2024. (Exhibit A, pp. 11-14)
5. On or around October 30, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice, advising her that effective October 1, 2024, ongoing, she was ineligible for MA and MSP benefits because she failed to return the supplemental questionnaire. (Exhibit A, pp.4-7)
6. On or around October 31, 2024, Petitioner requested a hearing disputing the Department's denial of her MA/MSP application and the information contained in the October 30, 2024, Health Care Coverage Determination Notice. (Exhibit A, p. 3)

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 disputed the denial of her [REDACTED] 2024, MA/MSP application.

MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage, and (iv) to individuals who meet the eligibility criteria for Plan First Medicaid (PF-MA) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105 (January 2024), p. 1; BEM 137 (June 2020), p. 1; BEM 124 (July 2023), p. 1. Under federal law, an individual eligible under more than one MA category must have eligibility determined for the category selected and is entitled to the most beneficial coverage available, which is the one that results in eligibility and the least amount of excess income or the lowest cost share. BEM 105, p. 2; 42 CFR 435.404. The DHS-1004, Health Care Coverage Supplemental Questionnaire, is used to gather additional information when an applicant is not found eligible for any MAGI-related eligibility group or indicates a disability on the DCH-1426. BEM 105 (January 2024), p. 3.

Because Petitioner is enrolled in Medicare, she is not eligible for MA under the HMP. There was no evidence that Petitioner was the parent or caretaker of any minor children. Thus, the Department properly concluded that Petitioner was eligible for SSI-related MA, which is MA for individuals who are blind, disabled or over age 65, and for which the Supplemental Questionnaire can be used. BEM 105, pp. 1-3.

Additionally, verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level. BAM 130 (May 2024), 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, pp. 3-4.

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.

At the hearing, the Department representative testified that because Petitioner failed to submit verification of income, the completed Supplemental Questionnaire with verifications and/or current bank statements timely, the Department initiated the denial of Petitioner's MA application by issuing the October 30, 2024, Health Care Coverage Determination Notice. The Department representative testified that Petitioner was instructed to submit verification of income, the completed Supplemental Questionnaire, and all proofs identified on the Supplemental Questionnaire by October 14, 2024. The Department representative initially testified that Petitioner failed to submit the Supplemental Questionnaire; however, upon review of Petitioner's electronic case file during the hearing, it was discovered that Petitioner did submit the Supplemental Questionnaire on October 13, 2024. The Department representative then testified that Petitioner failed to timely submit verification of her bank statement, as it was not received by the Department until October 31, 2024. Petitioner confirmed that she submitted verification of her bank statements on October 31, 2024. Although the Department presented a VCL instructing Petitioner to submit proof of her income by October 14, 2024, no such VCL was sent regarding verification of assets. Furthermore, the denial reason identified on the Health Care Coverage Determination Notice indicates that Petitioner was ineligible for MA and MSP benefits because she failed to return the supplemental questionnaire which is incorrect, as the evidence showed it was timely submitted on October 13, 2024.

Therefore, because Petitioner timely submitted the supplemental questionnaire and because the Department failed to present any Verification Checklist specifically instructing Petitioner to submit proof of her bank accounts or asset information that were not returned in connection with the Supplemental Questionnaire, 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 act in accordance with Department policy when it denied Petitioner's [REDACTED] 2024, MA/MSP application.


DECISION AND ORDER

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

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. Register and process Petitioner's [REDACTED] 2024, MA/MSP application to determine her MA and MSP eligibility under the most beneficial category for October 1, 2024, ongoing;
2. If eligible, provide Petitioner with MA and MSP coverage under the most beneficial category, that she was entitled to receive but did not from October 1, 2024, ongoing; and
3. Notify Petitioner in writing of its decision.

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

Susan Noel
Wayne-Inkster-DHHS
26355 Michigan Ave
Inkster, MI 48141
MDHHS-Wayne-19-Hearings@michigan.gov

Interested Parties

BSC4
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

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