

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED]
Claimant

Reg. No: 2008-20349
Issue No: 2013
Case No. [REDACTED]
Load No: [REDACTED]
Hearing Date:
April 6, 2009
Kent County DHS

ADMINISTRATIVE LAW JUDGE: Tyra L. Wright

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon Claimant's request for a hearing. After due notice, a hearing was held on April 6, 2009. Claimant's son-in-law, [REDACTED], and her agent, under a durable power of attorney, appeared and testified on her behalf. A family independence manager and an eligibility specialist represented the Department.

ISSUE

Did the Department fail to respond to Claimant's application for the Medical Assistance (MA) program?

FINDINGS OF FACT

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

- (1) Claimant applied for MA and retroactive MA benefits on March 3, 2008. (Exhibit pages 2-8).

- (2) On March 17, 2008, the Department mailed Claimant a verification checklist that sought a variety of information, including records of all income and assets, and current bank account statements. Claimant timely returned the requested information and verifications.
- (3) On April 3, 2008, the Department worker completed budgets for February and March 2008. (Exhibit pg. 18-20). Claimant's total countable assets of [REDACTED] (February 2008) and [REDACTED] (March 2008) exceeded the \$2,000 asset limit. (Exhibit pgs. 24-25).
- (4) Claimant disagreed with the Department determination on the grounds that her excess income was used to pay for expenses related to her care.
- (5) Claimant requested a hearing on April 30, 2008.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies for FAP and MA are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

MA ASSET ELIGIBILITY

LIF, G2U, G2C, AMP and SSI-Related MA Only

Asset eligibility is required for LIF, G2U, G2C, AMP and SSI-related MA categories.

Note: Do **not** deny or terminate TMA-Plus, Healthy Kids or Group 2 Pregnant Women because of a refusal to provide asset information or asset verification requested for purposes of determining LIF, G2U, G2C or SSI-related MA eligibility.

Use the special asset rules in PEM 402 for certain married L/H and waiver patients. See PRG, Glossary, for the definition of [L/H patient](#) and PEM 106 for the definition of [waiver patient](#).

Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested.

At **application**, do not authorize MA for future months if the person has excess assets on the processing date.

If an **ongoing** MA recipient or active deductible client has excess assets, initiate closure. However, delete the pending negative action if it is verified that the excess assets were disposed of. Payment of medical expenses, living costs and other debts are examples of ways to dispose of excess assets without divestment. LTC and waiver patients will be penalized for divestment (see [PEM 405](#)). (PEM 400, p.4).

In this case, the Department calculated Claimant's February and March 2008 budgets based on the income and asset information that Claimant provided. Claimant's agent contends that the figures provided were incorrect. Claimant's agent asserted that Claimant should be entitled to MA and retroactive MA benefits on the grounds that Claimant used her excess assets to pay for her living expenses and other debts and as a result had no assets by January 2008. Because the Department based its calculation on bank account records and other information submitted by Claimant, it is found that the Department properly calculated her February and March 2008 budgets. The evidence Claimant provided at this hearing did not support a finding that the Department erred finding Claimant ineligible for MA and retroactive MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly denied Claimant's application for MA and retroactive MA benefits for February 2008 and March 2008.

