

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

██████████

Claimant,

Reg No: 2009-10838

Issue No: 2021

Case No: ██████████

Load No: ██████████

Hearing Date:

September 24, 2009

Genesee County DHS

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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 telephone hearing was conducted on September 24, 2009. The Claimant appeared and testified. Claimant's wife, ██████████ also appeared and testified. Debora Williams, FIS, appeared on behalf of the Department.

ISSUE

Whether the Department properly closed the claimant's Medical Assistance (MA) benefits for excess assets.

FINDINGS OF FACT

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

1. Claimant was an ongoing recipient of MA benefits in a group of two.

2. A September 22, 2008 Life Insurance Annual Statement documents that claimant has a life insurance policy with a net cash value of \$8,361.08. (Department Exhibit 1, pg. 13)

3. On November 25, 2008, the department reviewed claimant's case and determined he was no longer eligible for MA benefits because he has assets in excess of the \$6,000 limit.

4. Claimant requested a hearing on December 8, 2008 to contest the closure of the MA benefits.

5. Claimant's MA benefits were re-opened pending this hearing.

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 (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Clients must cooperate with the local office in determining initial and ongoing eligibility including completion of necessary forms. PAM 105. The department periodically reevaluates cases to ensure that eligibility for program benefits continues. A redetermination is a periodic, thorough reevaluation of all eligibility factors to determine whether the group continues to be eligible for program benefits. PAM 210. Verification is usually required at application, redetermination and for a reported change affecting eligibility or benefit level. PAM 130.

The asset limit for SSI related MA eligibility is \$3,000 for a group of one and \$6,000 for a group of two. PEM 400. Spouses are mandatory fiscal group members for SSI related adult

MA eligibility. PEM 211. The cash surrender value, also known as cash value, of a life insurance policy is a countable asset for SSI related MA eligibility. PEM 400.

In the present case, claimant was an ongoing recipient of SSI related MA in a group of two, claimant and his spouse. Claimant's case was up for redetermination in November 2008 and the department had obtained verification of claimant's life insurance policy. The verification documents that claimant had a life insurance policy with a net cash value of \$8,361.08.

(Department Exhibit 1, pg. 13) Claimant testified he still has this life insurance policy; he was just unaware that it had a cash value.

Based upon the foregoing facts and relevant law, it is found that the net cash value of claimant's life insurance policy exceeded the MA-SSI related asset limit of \$6,000. Therefore, the department properly closed claimant's MA benefits.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the net cash value of claimant's life insurance policy exceeded the MA-SSI related asset limit of \$6,000.

Accordingly, the Department's MA eligibility determination is AFFIRMED.

/s/
Colleen Lack
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: September 30, 2009

Date Mailed: September 30, 2009

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

CL/cv

cc:

