

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201010801
Issue No.: 2021
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: August 16, 2010
Macomb County DHS (12)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the claimant's request for a hearing. After due notice, a telephone hearing was held on August 16, 2010. The claimant appeared and testified; [REDACTED] and [REDACTED] also appeared and testified on behalf of Claimant. On behalf of Department of Human Services (DHS), [REDACTED], Manager, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's 6/3/09 application for Medical Assistance (MA) benefits due to excess assets.

FINDINGS OF FACT

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

1. Claimant applied for MA benefits on 6/3/09 by submitting an Assistance Application; Claimant's application included a request for MA benefits for 5/2010.
2. Claimant stated he owned three vehicles, a 1977 Harley Davidson, 1989 Ford Mustang and 1991 GMC Truck.
3. Claimant's primary vehicle is the 1991 GMC Truck.
4. Claimant submitted statements to DHS (Exhibit 1) indicating the value of the Harley Davidson as \$300 and the value of the Mustang as \$250.

5. DHS determined the Kelly blue book value of the Harley Davidson to be \$2690 and the blue book value of the Mustang as \$2620.
6. DHS denied Claimant's application for MA benefits due to Claimant's vehicles exceeding the asset limit for MA benefits.
7. Claimant's authorized hearing representative, [REDACTED], requested a hearing on 10/30/09 disputing the denial of MA benefits.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by the 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 are currently found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM). At the time of Claimant's 6/3/09 application, DHS policies were found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them. BEM 105 at 1.

Persons may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2.

In the present case, Claimant is a non-senior, non-pregnant, over 21 year old applicant claiming to be disabled. Claimant's most beneficial MA program is through Aged/Disability Care (AD-Care).

AD-Care is an SSI-Related MA program. PEM 163 at 1. Asset eligibility is required for SSI-related MA categories. PEM 400 at 4. All types of assets, including vehicles, are considered for SSI-related MA categories. *Id* at 1. The asset limit for AD-Care is \$2,000 for a group size of one. *Id* at 5.

DHS specialists are directed to exclude one motorized vehicle owned by the asset group. *Id* at 23. If the asset group owns multiple motorized vehicles then the vehicle with the highest equity value is excluded. *Id*.

Kelly blue book value is an acceptable verification of a vehicle's value. *Id* at 36. In the present case, DHS verified that Claimant's 1977 Harley Davidson was valued at \$2690 and Claimant's 1989 Ford Mustang was valued at \$2620. DHS also found Claimant's GMC truck to be worth \$3400. DHS properly excluded the truck's value from the asset calculation. Based on the blue book values of the other vehicles, Claimant's assets exceeded the limit for MA benefits.

Clients have the opportunity to verify that a vehicle is worth less (example: due to damage) than wholesale book value. *Id* at 37. One of the allowed verifications is a statement of a vehicle's worth from a dealer. *Id* at 36. Prior to the DHS denial of MA benefits, Claimant submitted dealer statements verifying that the following values for the vehicles: \$300 for the 1977 Harley Davidson, \$250 for the 1989 Mustang and \$350 for the GMC Truck.

DHS ignored the submitted dealer statements from Claimant and relied solely on the Kelly blue book to determine the values for each vehicle. It is found that DHS had no basis to disregard the vehicle values as verified by Claimant.

Excluding the most expensive valued vehicle, the GMC truck, the two remaining vehicles have a combined value of \$550. The \$550 value is below the MA asset limit of \$2,000. It is found that DHS improperly denied Claimant's request for MA benefits based on excess assets.

DECISION AND ORDER

The actions taken by DHS are REVERSED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's application for MA benefits due to excess assets. It is ordered that DHS reinstate Claimant's application for MA benefits dated 6/3/09 and to process it in accordance with the findings of this decision and DHS policies.

/s/



Christian Gardocki
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: August 26, 2010

Date Mailed: August 26, 2010

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 mailing 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.

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