

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: 2010-33120

Issue No: 2001

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

August 4, 2010

Gladwin County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Morris

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 held on August 4, 2010. The claimant personally appeared and provided testimony, along with his girlfriend, [REDACTED].

ISSUE

Did the department properly determine the claimant had excess assets for the Adult Medical Program (AMP) and close the claimant's case?

FINDINGS OF FACT

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

1. The claimant had been approved for AMP.

2. On December 23, 2009 and January 4, 2010, the claimant contacted the department to inform them he had cashed in a life insurance policy for approximately \$7000.

(Department Exhibit 16, 18)

3. On January 19, 2010, the department worker contacted the claimant. The claimant indicated that he had paid bills with the money and had about \$3200 in cash left.

(Department Exhibit 16)

4. On January 19, 2010, the claimant was mailed a Notice of Case Action indicating that his AMP was closing due to excess assets.

5. On February 1, 2010, the claimant submitted receipts to show what items the insurance money had paid for. (Department Exhibit 20 – 63)

6. The department allowed all expenses after November 27, 2009 (when the policy was cashed in). The expenses amounted to \$3213, which still resulted in excess assets for AMP.

(Department Exhibit 19)

7. The claimant submitted a hearing request on February 1, 2010.

CONCLUSIONS OF LAW

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115)(a)(1) of the Social Security Act, and is administered by the Department of Human Services (DHS or department) pursuant to MCL 400.10, *et seq.* Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

Department policy indicates:

ASSETS

DEPARTMENT POLICY

FIP, SDA, LIF, Group 2 Persons Under Age 21, Group 2 Caretaker Relative, SSI-Related MA, and AMP

Assets must be considered in determining eligibility for FIP, SDA, LIF, Group 2 Persons Under Age 21 (G2U), Group 2 Caretaker Relative (G2C), SSI-related MA categories and AMP.

- . “CASH” (which includes savings and checking accounts)
- . “INVESTMENTS”
- . “RETIREMENT PLANS”
- . “TRUSTS” BEM, Item 400.

FINANCIAL ELIGIBILITY FACTORS

Group

Use AMP policy in BEM 214.

Assets

Determine countable assets based on AMP policy in BEM 400.

The program group’s countable assets cannot exceed the AMP asset limit in BEM 400.

AMP Asset Limit

AMP Only

\$3,000. BEM, Item 400, p. 3.

In this case, the claimant is disputing the closure of his AMP benefits due to excess assets. In December, 2009 and January, 2010, the claimant reported that he had cashed in a life insurance policy in the amount of \$7000.29. The department worker contacted the claimant and asked him what he did with the proceeds of the policy. The claimant reported that he had paid bills and had \$3200 in cash remaining. The claimant reported that he did not put the money into any bank account because he has garnishments.

The department requested the claimant submit receipts to show what expenses he spent the life insurance proceeds on. The department allowed all receipts dated after November 27, 2009 (the date the check was cashed). These receipts totaled \$3213.

The claimant faxed the department a statement on February 21, 2010 that is from the claimant's brother-in-law. This statement indicates that the claimant borrowed \$2000 from the author in October, 2009 and paid him back in December, 2009, after cashing the life insurance check. However, this information was not provided until after the case closure.

The information presented by the claimant to the department supported the determination by the department that the claimant had excess assets. On January 19, 2010, the department worker contacted the claimant to clarify what assets remained. The claimant reported that he had paid bills, but had \$3200 cash on hand left. The claimant was then asked to provide receipts to show what he had spent the insurance proceeds on. The department approved the receipts from November 27, 2009 forward, totaling \$3213. The department disallowed the receipts prior to November 27, 2009, in the amount of \$1308.61.

Department policy indicates that AMP recipients can not have assets that total more than \$3000. BEM 400. Department policy indicates that countable assets for the AMP program are cash, investments, retirement plans and trusts. BEM 400. Department policy also states "[d]o not require verification when countable assets exceed the limit based on a person's own statement of value." BEM 400. The claimant reported his assets as \$3200 on January 19, 2010. This was in excess of the asset limit imposed by department policy. The claimant was further asked to provide receipts and the allowable receipts totaled only \$3213, which would again leave the claimant with excess assets.

The claimant did not provide the department with any documentation of paying a \$2000 debt until after the case closed. Further, if the claimant had paid the \$2000 back to his brother-in-law in December, 2009, it is unclear why he would indicate that he had \$3200 cash on hand on January 19, 2010.

It is also noted that the claimant testified that he has an IRA through Schwab in the amount of \$1869. Retirement accounts are countable assets for AMP, so the value of the IRA must be included with any cash that he had. BEM 400.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly determined the claimant had excess assets to be eligible for AMP benefits and properly closed the claimant's case.

Accordingly, the department's decision is UPHELD. SO ORDERED.

/S/ _____
Suzanne L. Morris
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: September 23, 2010

Date Mailed: September 27, 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.

SLK [REDACTED]

cc: [REDACTED]