

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 2010-44034
Issue No.: 2014
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: October 21, 2010
Wayne County DHS (82)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 October 21, 2010. The Claimant appeared and testified and was represented by her attorney [REDACTED]. [REDACTED], ES appeared on behalf of the Department.

ISSUE

Whether the Department properly denied the Claimant's Medical Assistance ("MA") application because the Claimant's assets, (cash) exceeded the asset limit set by Policy.

FINDINGS OF FACT

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

- 1) The Claimant applied for MA-P assistance, which application was registered on June 23, 2009. (Exhibit 1)
- 2) The Claimant filed a verification of assets on July 16, 2009. The verification provided the Claimant's current balance was 5,205.71 and that the lowest balance for the month was \$5,132.28. (Exhibit 2)
- 3) The department utilized the verification information when completing a budget and determined that the Claimant's assets exceeded the asset limit of \$2,000 for a group of one. (Exhibit 3)

- 4) The Department initially denied the Claimant's application on a different basis, and was required pursuant to a Hearing Decision dated March 1, 2010 to reopen and reprocess the Claimant's application and to make an eligibility determination based upon department policy. See attached. (Decision of ALJ Colleen Mamelka case #2010 11645)
- 5) Pursuant to the Order in case 2010-11645, the Department did reopen and reprocess the Claimant's June 23, 2009 application and issued a medical program eligibility notice on March 3, 2010. The Eligibility Notice denied the Claimant's application for medical assistance for the reason her assets exceeded the \$3, 000 limit. Exhibit 3
- 6) At the hearing, the Claimant's attorney submitted the Claimant's bank statement for the month of August 2009 to demonstrate that the Claimant's assets were less than \$2,000 during the month of August. (Claimant Exhibit 1)
- 7) The Claimant filed a timely hearing request which was received by the Department on April 23, 2010 protesting the denial of Medical Assistance by the Department.

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 found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105, p. 1. Medicaid is also known as Medical Assistance ("MA"). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP related or SSI related. *Id.* To receive MA under an SSI related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.*

Assets must be considered in determining MA eligibility. BEM 400, p. 1. Assets are cash and any other personal and/or real property. *Id.* Countable assets must be available and cannot exceed the applicable asset limit. BEM 400, pp. 1, 6. Available means that someone in the asset group has the legal right to use or dispose of the

asset. BEM 400, p. 6. The SSI related asset limit is \$2,000 for a group of one and \$3,000 for a group of two. BEM 400, p. 5. Lump sums and accumulated benefits are income in the month received. BEM 400, p. 10.

In the present case, Claimant provided information to the Department by way of a Verification of Assets, dated July 21, 2009, which was received by the Department on July 29, 2009. The verification of assets indicated the lowest checking account balance for July, 2009 was \$5,133.28. The Verification of Assets provided by the Claimant pursuant to her application clearly established that the Claimant's assets exceeded the asset limit to qualify for Medicaid on the basis of the cash in her checking account.

The Claimant submitted additional asset information at the hearing which was not available to the Department at the time it made its eligibility determination. This information, a copy of the Claimant's checking account statement for the period beginning July 23, 2009 through August 21, 2009, was submitted to demonstrate that the claimant's assets were less than \$2,000 during the month of August 2009 which was the month the Claimant's application was processed originally. The Claimant has asserted that the Department should have utilized this asset information as it demonstrates that the Claimant's assets were equal to or less than the asset limit for at least one day for the month being tested. BEM 400, page 4.

The Claimant essentially argues that the Department should have tested her assets for the month of August 2009 instead of July 2009. The basis for this argument is that BEM 400 provides that "at application, do not authorize MA for future months if the person has excess assets on the processing date." This provision does not require the Department to determine assets at any particular time but requires that no future authorization of MA benefits can be made if the Applicant has excess assets on the processing date. This provision does not support the Claimant's argument as it does not require the Department to test assets to determine eligibility in the processing month.

Based on the information available to it at the time of its determination of eligibility and processing the Claimant's application for medical assistance should have been denied by the Department. The information available to it at the time clearly required the Department to deny the application as the Verification of assets indicated the Claimant's assets were more than the asset limit of \$2,000. BEM 400. Accordingly, the Department's decision is affirmed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department did act in accordance with department policy when it

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denied Claimant MA benefits for excess assets. Therefore, its determination of eligibility and denial of the Claimant's June 23, 2009 application is AFFIRMED.



Lynn M. Ferris
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: 11/03/2010

Date Mailed: 11/03/2010

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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