

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: 201032658  
Issue No: 2001  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
June 17, 2010  
Oakland County DHS (2)

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 claimant's request for a hearing. After due notice, a hearing was held by telephone in Detroit on June 17, 2010 at which time the Claimant appeared and testified. Dawn Gaffke, Supervisor, appeared and testified on behalf of the Department.

ISSUE

Was the claimant's AMP case properly closed for excess assets?

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 was a recipient of Adult Medical Program (AMP) benefits.
2. The Claimant completed a redetermination, and her case was closed due to excess assets when she did not return the response to the requested verification, the requested bank statement, by the due date 3/15/10. Exhibits 1 and 2

3. On the redetermination form, the Claimant listed stock sales in the amount of \$5533.00. Exhibit 3 page 2 of 4.
4. The Claimant returned the bank statement on 3/19/10 and indicated that she had cash assets of \$5972.86. Exhibit 4
5. During the hearing, the Claimant said she had no problem with the current amount of her FAP benefits and did not wish to proceed with the hearing with regard to her FAP benefits.
6. The Claimant's AMP benefits were terminated due to excess assets, as her bank account assets exceeded the \$3,000 limit on assets for eligibility for AMP.
7. On the date of the hearing, the Claimant's bank account contained \$459.00 because she had used the money from her account to pay for her mortgage arrearage and living costs. Exhibit 5
8. The Claimant requested a hearing on April 1, 2010 regarding the closure of hers AMP medical benefits due to excess assets. The hearing request was received by the Department on May 4, 2010.

#### 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM) and Reference Tables (RFT).

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 Program Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BPRM).

Claimant must meet all eligibility requirements to receive AMP benefits. BEM 640. Income eligibility exists when the program group's net income does not exceed the program group's AMP income limit. BEM 640. AMP income limits are contained in RFT 236. Only countable income, per BEM 500 is used in determining AMP net income. BEM 640. AMP asset limits are also reviewed and in order to eligible for benefits a individual's assets cannot exceed \$3,000. BEM 400

In order to determine eligibility for AMP benefits the claimant's assets must be considered as required by BEM 400. Assets include cash, (which includes savings and checking accounts), investments, retirement plans, and trusts. Countable assets cannot exceed the applicable after limit. BEM 400 page 1. The AMP asset limit is \$3000. BEM 400 page 4.

Claimant's total assets were more than the limit when she filled out the information required by the redetermination and verification. This amount was verified by the claimant and Department Exhibit 2.

While the closure of Claimant's AMP case was correct initially because it appeared the claimant had excess assets the Department's action was in error and the negative action closing the AMP benefits must be deleted for the following reason. BEM 400 provides:

“If an ongoing MA...(AMP) recipient has excess assets the department is required to initiate closure. However, the department is required to delete the negative action if it is verified that the excess assets were disposed of. Payment of medical

expenses, living costs and other debts are examples are ways to dispose of excess assets without divestment.”

The claimant testified credibly that she used the assets to pay her mortgage arrearages on her home, which is still currently three months in arrearages behind. The claimant's payment of a debt in this manner resulted in her assets being reduced below the asset limit. Her bank account current balance is only \$439.03. BEM 400 page 4.

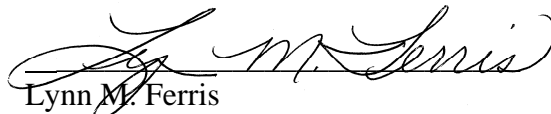
Therefore, the Department’s closure of the Claimant’s AMP case was incorrect. The negative action must be deleted and her AMP benefits case must be reinstated and deemed open.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department was incorrect when it determined claimant’s assets required closure of her AMP case without determining that the assets were used for the payment of an ongoing debt, her mortgage.

Accordingly, the Department’s decision in the above stated matter is, hereby,  
REVERSED.

The Department is ordered to delete the negative action closing the Claimant’s AMP case and reinstate the Claimant’s AMP benefits.



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

Date Signed: 07/07/10

Date Mailed: 07/08/10

**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.

LMF/dj

cc:

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