

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.: 2011-14354
Issue No.: 2021
Case No.: [REDACTED]
Hearing Date: February 23, 2011
Wayne County DHS (82)

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 February 23, 2011. [REDACTED] appeared and testified as Claimant's Authorized Hearing Representative (AHR). On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED] Manager, appeared and testified.

ISSUE

Whether DHS properly denied Claimant's application dated 10/19/10 for Medical Assistance (MA) benefits for ongoing MA benefits (and retroactive benefits for 9/2010) due to excess assets by Claimant.

FINDINGS OF FACT

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

1. Beginning 9/2010, Claimant was a resident of a nursing facility.
2. Claimant applied for MA benefits on 10/19/10 and requested retroactive MA benefits effective 9/2010.
3. At the time of Claimant's application, Claimant was an aged (over 65 years old) or disabled individual.
4. At the time of Claimant's application, Claimant owned a life insurance policy with a cash surrender value of \$8689 (see Exhibit 1).

5. In 11/2010, Claimant disposed of the life insurance policy and converted the proceeds into an irrevocable funeral contract (see Exhibits 2-4).
6. On 12/1/10, DHS determined that Claimant was eligible for ongoing Medicaid benefits (subject to a \$599 patient pay amount) effective 11/2010 (see Exhibit 5).
7. DHS also determined that Claimant was ineligible for Medicaid benefits for 9/2010 and 10/2010 due to excess assets (see Exhibit 5).
8. On 1/10/11, Claimant's AHR requested a hearing disputing the denial of Claimant's Medicaid benefits for 9/2010 and 10/2010.

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 (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 Reference Tables Manual (RFT).

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.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* It was not disputed that Claimant's basis for MA was one of the SSI-related categories.

The SSI-related MA category asset limit is \$2,000 for an asset group of one. BEM 400 at 5. For MA benefits, asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. *Id.* at 4.

A life insurance policy is an asset if it generates a cash surrender value. *Id.* at 25. A policy's value is its cash surrender value. *Id.*

In the present case, it was not disputed that Claimant owned a life insurance policy for all of 9/2010 and 10/2010. It was also not disputed that the cash surrender value (\$8689) of the policy exceeded the asset limit (\$2000) for MA eligibility. DHS properly determined that Claimant's countable assets for 9/2010 and 10/2010 exceeded the asset limits for MA benefit eligibility. Accordingly, it is found that DHS properly denied MA benefits to Claimant for 9/2010 and 10/2010 due to excess assets.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant MA benefits for 9/2010 and 10/2010 due to excess assets. The actions taken by DHS are AFFIRMED.

Christian Gardocki

Christian Gardocki
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 3/1/2011

Date Mailed: 3/1/2011

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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