

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

IN THE MATTER OF:



Reg No: 2011-16753
Issue No: 2021
Case No: [REDACTED]
Hearing Date:
February 28, 2011
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 hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on February 28, 2011. The Claimant was represented by [REDACTED] the Claimant's authorized hearing representative. Charlotte Metcalf, FIM appeared on behalf of the Department.

ISSUE

Whether the Department properly denied the Claimant's Medical Assistance ("MA") due to excess assets for the months of September and October 2010.

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of MA benefits.
2. The Claimant was denied Medicaid benefits due to having excess assets for the months of September and October 2010.
3. The Department denied Medicaid eligibility due to excess assets by Notice of Case Action issued December 1, 2010. Exhibit 1.

4. The claimant owned 3 life insurance policies with cash values. The two policies owned by the Claimant had cash values of \$902.21 and 1264.00, which totaled \$2166. The third policy with a cash value of \$203.36 was not owned by the Claimant and thus cannot be counted as her asset.
Exhibits 2, 3 and 4.
5. The Medicaid eligibility asset limit for one person is \$2,000.
6. The Claimant's assets exceeded the \$2,000 asset limit and the Claimant was not eligible for Medicaid until the assets were depleted on November 11, 2010.
7. The Department correctly denied the Claimant Medicaid eligibility for September and October 2010.
8. The Claimant requested a hearing through her authorized hearing representative on December 6, 2010 protesting the denial of her medical benefits due to excess assets. The claimant's hearing request was received by the Department on January 5, 2011.

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, formally 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 Bridges 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.* 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.*

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.

A life insurance policy is considered an asset if it can generate a cash surrender value (CSV). Generally, whole life insurance policies generate a CSV while term policies do not. A policy that generates a CSV is the policy owner's asset. BEM 400, p. 25. Life insurance policies can be excluded as an asset if the cash surrender value of all the total face values of all policies a policy owner has for the same insured, total \$2,000 or less. BEM 400, p. 25.

In the present case, Claimant had life insurance policies with a CSV over \$2,000.00. Therefore, under the above regulations, Claimant was over asset to qualify for Medicaid in September 1, 2010 and October 2010 until in November 2010 when the insurance asset was depleted. 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. BEM 400, page 4.

Once Claimant cashed out the policy, the proceeds were considered income in the month received. After those proceeds were spent, Claimant was below the required asset level and qualified for MA benefits.


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 acted in accordance with Department policy when it denied Claimant's MA benefits for excess assets for September and October 2010.

Accordingly, it is ORDERED:

1. The Department's determination is AFFIRMED



Lynn M. Ferris
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 03/04/11

Date Mailed: 03/08/11

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:

