

**STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES**

**IN THE MATTER OF:**

[REDACTED]

Reg No. 2012-32386  
Issue No. 2021  
Case No. [REDACTED]  
Hearing Date: April 11, 2012  
Monroe County DHS

**ADMINISTRATIVE LAW JUDGE:** Colleen M. Mamelka

**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 hearing was held in Monroe, Michigan on Wednesday, April 11, 2012. The Claimant did not appear; however, her Authorized Hearing Representative, [REDACTED] appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services ("Department").

**ISSUE**

Whether the Department properly denied the Claimant's August 10, 2011 application for Medical Assistance?

**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 submitted an application for public assistance seeking Medical Assistance ("MA") benefits on August 10, 2011.
2. At the time of application, the Claimant had over \$30,000.00 available to him in a checking account. (Exhibit 3)
3. As a result of the checking account, the Department denied the MA application due to excess assets. (Exhibit 1)

4. On September 7, 2011, the Department received the Claimant's timely written request for hearing.

### **CONCLUSIONS OF LAW**

The Medical Assistance ("MA") program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department of Human Services, formerly known as the Family Independence Agency, pursuant to MCL 400.10, *et seq.* and MCL 400.105. Departmental policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Bridges Reference Manual ("RFT").

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. Medicaid is also known as Medical Assistance ("MA"). BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105. 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. BEM 105. 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. BEM 105. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 155 through 174 describe SSI-related categories. BEM 105.

The Freedom to Work ("FTW") is a SSI-related Group 1 MA category and is available to a disabled client age 16 through 64 who has earned income. MCL 400.106a(2)(a)(b); BEM 174. FTW eligibility is not considered before January of 2004. BEM 174. In order to be eligible under the FTW, certain non-financial factors must be considered. The individual must be a current MA recipient under MCL 400.106 or meet the income, asset, and eligibility requirements for the medical assistance program under MCL 400.106. MCL 400.106a(2)(d). Except as provided in MCL 400.106a, an individual must, in part, apply as prescribed by the family independence agency; must have annual income that is below, or subject to limitations imposed by the director and, because of medical expenses, fall below the protected maintenance level (for a 1-person group- at least 100% of the payment standards generally used to determine eligibility in the family independence program); and must not have liquid or marketable assets of not more than \$2,000.00 in value. MCL 400.106(1)(b)(i)(iii)(iv). An individual who *qualifies* for and is enrolled under the FTW is permitted to accumulate personal savings and assets not to exceed \$75,000.00 and may accumulate unlimited retirement and individual retirement accounts. (emphasis added) MCL 400.106a(4)(a)(b). BEM 174 provides that the client must be MA eligible; must not access MA through a deductible; must be disabled under the standards of the Social Security Administration (except that employment, earnings, and substantial gainful activity is not considered in

the determination); must be employed; and must meet all MA eligibility factors found in BEMs 220, 221, 223, 225, 257, 265, and 270. BEM 174. Once an individual is found eligible for FTW, countable assets cannot exceed the asset limit for FTW in BEM 400. BEM 174.

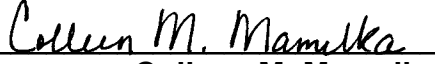
In this case, at the time of application, the Claimant had access to over \$30,000.00 in a checking account. As a result, the Department denied the Claimant's MA application based on excess assets. An individual must meet the MA eligibility requirements, to include the asset limitations, prior to the accumulation of assets under the FTW program. In order to be eligible for FTW, the Claimant must be a current MA recipient. MA eligibility is a precursor to FTW eligibility. Here, the Claimant was not eligible for MA benefits due to excess assets and, therefore, the Claimant was not eligible, at that point, under the FTW program. Ultimately, the Department established it acted in accordance with Department policy when it denied the Claimant's MA application. Accordingly, the Department's determination is AFFIRMED.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law finds the Department established it acted in accordance with Department policy when it denied the Claimant's MA application due to excess assets.

Accordingly, it is ORDERED:

The Department's denial of MA benefits is AFFIRMED.

  
**Colleen M. Mamelka**  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: April 18, 2012

Date Mailed: April 18, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CMM/cl

cc:

