

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2012-36846  
Issue No.: 2010  
Case No.: [REDACTED]  
Hearing Date: April 30, 2012  
County: Oakland (03)

**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 following Claimant's request for a hearing. After due notice, a hearing was held in Walled Lake, Michigan on Monday, April 30, 2012. Participants on behalf of Claimant included [REDACTED] Participants on behalf of Department of Human Services ("Department") were [REDACTED]

**ISSUE**

Whether the Department properly denied the Claimant's application for Medical Assistance ("MA") benefits due to excess assets?

**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 resides in a long-term care facility.
2. On January 30, 2010, the Claimant and his spouse, signed a Quit Claim Deed transferring a home to the Claimant's son for \$100.00 consideration. (Exhibit 1)
3. The Wayne County Register of Deeds recorded the Quit Claim Deed on February 23, 2010. (Exhibit 1)
4. The State Equalized Value of the property was \$45,400.00. (Exhibit 2)

5. An application for public assistance seeking MA benefits on behalf of the Claimant was received by the Department, on October 27, 2011.
6. As a result of the transfer of the home, the Department determined that a divestment occurred and imposed the divestment penalty from October 1, 2011 through November 9, 2012 requiring the Patient Pay Amount (“PPA”) of \$1,326.00. (Exhibit 3)
7. The Department notified the Claimant of the divestment period and the PPA amount.
8. On February 22, 2012, the Department received the Claimant’s timely written request for hearing. (Exhibit 6)

### **CONCLUSIONS OF LAW**

Department policies are contained in the Bridges Administrative Manual (“BAM”), the Bridges Eligibility Manual (“BEM”), and the Bridges Reference Tables (“RFT”).

The Family Independence Program (“FIP”) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department, formerly known as the Family Independence Agency, administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children program effective October 1, 1996.

The Food Assistance Program (“FAP”), formerly known as the Food Stamp program, is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (“CFR”). The Department, formerly known as the Family Independence Agency, administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

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. 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.

The Adult Medical Program (“AMP”) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (“SDA”) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services, formerly known as the Family Independence Agency, administers the SDA program pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

Divestment results in a penalty period in MA, not ineligibility. BEM 405. Divestment means a transfer of a resource by a client (or spouse) that is within the look-back period and is transferred for less than fair market value ("FMV"). BEM 405. Less than FMV means the compensation received in return for a resource was worth less than the FMV of the resource. BEM 405. When a person gives up the right to receive income, the FMV is the total amount of income the person could have expected to receive. BEM 405. Transferring a resource means giving up all or partial ownership in, or rights to, a resource. BEM 405. During the penalty period, MA will not pay for long-term care services. BEM 405

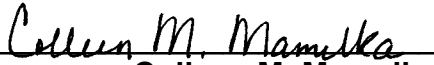
In this case, the Claimant and his spouse signed a Quit Claim Deed transferring property from a trust to the Claimant's son for \$100.00 consideration. Based on the State Equalized Value, the transferred property was valued at \$90,800.00. The property was transferred during the look-back period for less than FMV. In light of the foregoing, the Department established it acted in accordance with Department policy when it imposed the Divestment penalty as a result of the transferred property. Accordingly, the Department's determination is AFFIRMED.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department established it acted in accordance with Department policy when it imposed the Divestment penalty due to a transfer of an asset during the look-back period for less than fair market value.

Accordingly, it is ORDERED:

The Department's imposition of the Divestment penalty is AFFIRMED.

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

Date Signed: May 8, 2012

Date Mailed: May 8, 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:

