

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201249390  
Issue No: 2006  
Case No: [REDACTED]  
Hearing Date: July 11, 2012  
Grand Traverse County DHS

**ADMINISTRATIVE LAW JUDGE:** Gary F. Heisler

**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 on July 11, 2012. Claimant was represented by her [REDACTED] who appeared and testified.

**ISSUE**

Did the Department of Human Services properly deny Claimant's December 27, 2011 application for Medical Assistance (MA)?

**FINDINGS OF FACT**

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

1. On September 20, 2011, an application for Medical Assistance (MA) was submitted on Claimant's behalf.
2. On October 25, 2011, Claimant's application was denied.
3. On October 25, 2011, another application for Medical Assistance (MA) was submitted on Claimant's behalf.
4. On November 28, 2011, a Verification Checklist (DHS Form 3503) was sent out requesting life insurance information.
5. On November 29, 2011, a letter was submitted providing the value of a life insurance policy. The letter was dated January 26, 2011.
6. On December 2, 2011, Claimant's application was denied.

7. On December 14, 2011, the life insurance company issued a letter in response to [REDACTED] actions to cash the policy out.
8. On December 27, 2011, an application for Medical Assistance (MA) was submitted on Claimant's behalf. In the asset section the application was marked as having no life insurance policies.
9. On April 11, 2012, the Department sent a Notice of Case Action (DHS-1605) stating Claimant's application was denied due to excess assets.
10. On April 20, 2012, a request for hearing was submitted.

### **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).

In this case the Department case worker assumed the life insurance policy reported in the earlier applications was still in effect. The case worker added the value of the policy as stated in the January 26, 2011 letter ([REDACTED]) to the calculations for Claimant's asset test. The asset test for the December 27, 2011 application showed that Claimant had assets of [REDACTED] but the asset limit was [REDACTED]. The incorrectly included life insurance cash value put Claimant over the asset limit.

The case worker's action regarding the life insurance policy was obviously intended to facilitate a quicker determination of Claimant's application. It is also noted that using the January 2011 value for a December 2011 application was to Claimant's advantage. Nothing in this record even suggests that the case worker had a bad intent regarding Claimant's eligibility determination. However, the application was clearly marked as having no life insurance policy. The inclusion of an unverified value based on the assumption that the life insurance policy was still in effect, was an incorrect action. Department policy, as applied to this specific set of facts, directs a request for verification on the status of the previously reported life insurance policy.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services DID NOT properly deny Claimant's December 27, 2011 application for Medical Assistance (MA).

It is ORDERED that the actions of the Department of Human Services, in this matter, are **REVERSED**.

It is further ORDERED that the December 27, 2011 application be reinstated and processed in accordance with Department policy.

/s/  
\_\_\_\_\_  
Gary F. Heisler  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: July 16, 2012

Date Mailed: July 17, 2012

**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.

GFH/tb

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