

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201255919
Issue No: 2021
Case No: [REDACTED]
Hearing Date: August 15, 2012
Genesee #02 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 August 15, 2012. Claimant was represented by [REDACTED] and did appear and testify.

ISSUE

Did the Department of Human Services properly deny Claimant's September 23, 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 23, 2011, Claimant submitted an application for Medical Assistance (MA). The application included a retroactive application for June, July, and August 2011.
2. On February 10, 2012, the Department received verification of a [REDACTED] on Claimant which was issued June 1, 1994 and had a present cash value of [REDACTED] 7. Other [REDACTED] which had been reported to the Department included: a [REDACTED] received on August 26, 2010; [REDACTED] proceeds from [REDACTED] of an [REDACTED] on September 1, 2011; a [REDACTED] valued a [REDACTED]; [REDACTED] an the other with an equity value of [REDACTED]; and less than [REDACTED] in various [REDACTED].
3. On May 3, 2012, Claimant was sent a Notice of Case Action (DHS-1605) which stated her September 23, 2011 Medical Assistance (MA) application was denied due to excess assets.

4. On May 10, 2012, Claimant submitted a request for hearing.

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 Claimant does not dispute being over the MA asset limit at the time of application. Claimant testified that her assets have been depleted and that they were below the limit before May 3, 2012 when the application was denied. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

BEM 400 ASSETS

DEPARTMENT POLICY

Family Independence Program (FIP), State Disability Assistance (SDA), Refugee Assistance Program Cash (RAPC), Low-Income Family MA (LIF), Group 2 Persons Under Age 21 (G2U), Group 2 Caretaker Relative (G2C), SSI-Related MA, Adult Medical Program (AMP) and Food Assistance Program (FAP)

Assets must be considered in determining eligibility for FIP, SDA, RAPC, LIF, G2U, G2C, SSI-related MA categories, AMP and FAP. FIP, SDA, RAPC, LIF, G2U, G2C and AMP consider only the following types of assets:

- Cash (which includes savings and checking accounts).
- Investments.
- Retirement Plans.
- Trusts.

Assets Defined

Assets means cash, any other personal property and real property. **Real property** is land and objects affixed to the land such as buildings, trees and fences. Condominiums are real property. **Personal property** is any item subject to ownership that is **not** real property (examples: currency, savings accounts and vehicles).

Overview of Asset Policy

Countable assets **cannot** exceed the applicable asset limit. Not all assets are counted. Some assets are counted for one program, but not for another program. Some programs do **not** count assets; see Programs With No Asset Test in this item.

You must consider both of the following to determine whether, and how much of, an asset is countable.

- Availability:
 - See Available.
 - See Jointly Owned Assets.
 - See Non-Salable Assets.

- Exclusions.

An asset is countable if it meets the availability tests and is **not** excluded.

SSI-Related MA

All types of assets are considered for SSI-related MA categories.

MA ASSET ELIGIBILITY LIF, G2U, G2C, AMP and SSI-Related MA Only

Asset eligibility is required for LIF, G2U, G2C, AMP and SSI-related MA categories.

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.

SSI-Related MA Asset Limit SSI-Related MA Only

For Freedom to Work (BEM 174) the asset limit is \$75,000. IRS recognized retirement accounts (including IRAs and 401(k)'s) may be of unlimited value.

For Medicare Savings Programs (BEM 165) and QDWI (BEM 169) the asset limit is:

- [REDACTED] for an asset group of one. [REDACTED] effective January 1, 2012.
- [REDACTED] for an asset group of two. [REDACTED] effective January 1, 2012.

For all other SSI-related MA categories, the asset limit is:

- [REDACTED] 0 for an asset group of one.
- [REDACTED] for an asset group of two.

The Department policy cited above specifies that asset eligibility for Medical Assistance (MA) exist only when a group/individual has assets below the limit at least one day during the month being tested for eligibility. The evidence in this record shows that the first month Claimant might possibly meet MA asset eligibility is February 2012 depending on what was done with the [REDACTED] that had a cash value of [REDACTED] after the February 10, 2012 verification. Approval or denial of an application goes back to the date of the application. There are some policy directives when processing an application is delayed beyond the Department's standard of promptness. Department policy provides the following guidance for case workers. The Department's policies are available on the internet through the Department's website.

**BAM 115 APPLICATION PROCESSING
DEPARTMENT POLICY
All Programs**

Clients must complete and sign one of the following application forms:

- DHS-1171, Assistance Application (all programs).

Following registration of the application, do **all** of the following:

- Interview clients when required by policy; see INTERVIEWS in this item.
- Certify eligibility results for each program within the applicable standard of promptness (SOP); see Standards Of Promptness and Processing Delays in this item.
- Bridges automatically generates a client notice informing them of the eligibility decision. BAM 220 explains the use of client notices.

**UPDATING THE APPLICATION
All Programs**

An application is **never** returned to the client or AR to update. While an application is considered valid, the client may update the current application rather than complete a new one to add or transfer programs or add a member.

Allow updating only if it can be done without obliterating the previous information and there is sufficient room to legibly add the new information. The client must sign and date the application again after updating it.

STANDARDS OF PROMPTNESS

All Programs

The standard of promptness (SOP) begins the date the department receives an application/filing form, with minimum required information.

See BAM 105, for the minimum required information for filing. Process applications and requests for member adds as quickly as possible, with priority to the earliest application date; see Processing Delays in this item. Requests for member adds must be entered in Bridges.

FIP, SDA, RAP, CDC, MA and AMP Only

Certify program approval or denial of the application within 45 days. Bridges automatically generates the client notice and if applicable, the CDC provider notice.

Exceptions:

- 15 days for all pregnant Medicaid applicants.
- 30 days for Refugee Assistance Program (RAP) applicants.
- 60 days for SDA applicants.
- 90 days for MA categories in which disability is an eligibility factor.

The SOP can be extended 60 days from the date of deferral by the Medical Review Team.

ELIGIBILITY DECISIONS

Denials All Programs

If the group is ineligible **or** refuses to cooperate in the application process, certify the denial within the standard of promptness to avoid receiving an overdue task in Bridges.

Bridges sends a DHS-1605, Client Notice, or the DHS-1150, Application Eligibility Notice, with the denial reason(s); see Reference Forms & Publications (RFF) manual.

Review of Department policy guidelines for processing applications shows that only the Food Assistance Program (FAP) has any provisions for benefit approval without submitting a new application. Claimant was not asset eligible on the date of application. Approval or denial of an application for Medical Assistance (MA) goes to the date of application. Denial of Claimant's September 23, 2011 application for Medical Assistance (MA) was a correct action in accordance with Department 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 properly denied Claimant's September 23, 2011 application for Medical Assistance (MA).

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

/s/

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

Date Signed: August 27, 2012

Date Mailed: August 27, 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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