

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

IN THE MATTER OF:



Reg No. 2012-475  
Issue No. 2021  
Case No. [REDACTED]  
Hearing Date: October 26, 2011  
St. Clair County DHS

**ADMINISTRATIVE LAW JUDGE:** Vicki L. Armstrong

**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 telephone hearing was held on October 26, 2011. Claimant appeared and provided testimony

**ISSUE**

Did the department properly determine Claimant was not eligible for Group 2 Medicaid (MA) in October 2011 based on excess assets?

**FINDINGS OF FACT**

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

1. Claimant was receiving MA at all times pertinent to this hearing.
2. At Claimant's 2011 mandatory redetermination, the department closed her case because her assets totaled [REDACTED]. (Department's Exhibit 22).
3. On September 2, 2011, the department received a timely hearing request from Claimant's disputing the closure.

**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 Bridge Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

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, and Trusts. Assets mean cash, or any other personal property and real property. BEM 400.

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. At application, do not authorize MA for future months if the person has excess assets on the processing date. BEM 400.

If an ongoing MA recipient or active deductible client has excess assets, initiate closure. However, delete the pending negative action if it is verified that the excess assets were disposed of. Payment of medical expenses, living costs and other debts are examples of ways to dispose of excess assets without divestment. LTC and waiver patients will be penalized for divestment. BEM 400.

The G2U and G2C asset limit is \$3,000.00. Policy allows a nonhomestead loss exclusion for FIP, SDA, LIF, G2U, G2C, SSI-Related MA and AMP only if the funds are not commingled with countable assets and are not in time deposits. BEM 400, BEM 500. BEM 500, 501, 502, 503 and 504 identify certain sources of funds that are excluded as both income and assets. Time limits and other conditions applicable to the income exclusion also apply to the asset exclusion.

In this case, Claimant had three accounts, two IRA's and a savings account, whose lowest balances totaled \$31,976.86. Claimant testified that the monies were a result of her savings from adoption subsidy monies she has received for her nine children over the past 18 years. Claimant stated that she did not initially list the accounts because she had been informed that income from adoption subsidy checks was not reportable. While the departmental representative assured Claimant that this was correct, the issue is that once it is deposited into an account, it becomes an asset.

Claimant explained that when there has been leftover money from the adoption subsidy checks, she has put them into what she referred to as "rainy day" accounts, to be used exclusively for the children in case of emergency. However, Claimant admitted she was unable to show or provide any proof that the monies she deposited were exclusively from the adoption subsidy checks. As a result, this Administrative Law Judge is unable to exclude the money in the accounts as a countable asset. Therefore, based on the competent, material,

and substantial evidence on the whole record, the department properly closed Claimant's MA case.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the department properly closed Claimant's MA case.

Accordingly, the department's actions are UPHELD.

It is SO ORDERED.

/s/  
Vicki L. Armstrong  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 11/4/11

Date Mailed: 11/4/11

**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 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.

VLA/ds

