

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

**IN THE MATTER OF:**

[REDACTED]

Reg No.: 2012-58945  
Issue No.: 2021  
Case No.: [REDACTED]  
Hearing Date: October 3, 2012  
County: Oakland (04)

**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 telephone hearing was conducted from Detroit, Michigan on Wednesday, October 3, 2012. The Claimant appeared and testified. Participating on behalf of the Department of Human Services ("Department") was [REDACTED]

**ISSUE**

Whether the Department properly denied the Claimant's application for Medical Assistance ("MA") benefits effective April 2012 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 submitted an application for public assistance seeking MA benefits on April 6, 2012. (Exhibit 1, pp. 27 – 43)
2. The Claimant's assets exceeded \$3000.00. (Exhibit 1, pp. 16 – 24, 34)
3. On April 26, 2012, the Department sent a Notice of Case Action to the Claimant informing her that MA coverage was approved for MA coverage for the month of April and denied for MA benefits in May 2012 due to excess assets. (Exhibit 1, pp. 25, 26)

4. The Department never activated MA coverage based on excess assets.
5. On June 11, 2012, the Department received the Claimant's written request for hearing.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the 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, Rules 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children ("ADC") 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, Rules 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 ("CFR"). 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 of Human Services 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, Rules 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, Rules 400.5001 through R 400.5015.

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 (2010), p. 1. Medicaid is also known as Medical Assistance. BEM 105, p. 1. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. The Medicare Savings Programs are SSI-related MA Categories. BEM 165 (2010), p. 1.

The three Medicare Savings Programs are Qualified Medicare Beneficiaries (also known as full-coverage QMB); Specified Low-Income Medicare Beneficiaries (also referred to as limited coverage QMB); and Additional Low-Income Medicare Beneficiaries (also known as ALMB or Q1). BEM 165, p. 1.

In addition to income, assets are also considered when determining MA eligibility. The application asset limit for MA benefits is \$2,000.00 for an individual, and \$3,000.00 for a group of two. BEM 400 (2012), p. 5.

In this case, the Claimant's countable assets, as discussed on the record, for the month of April exceeded the applicable asset limit of \$3,000.00. Although the Claimant was not eligible due to excess assets, the Department mistakenly sent a Notice of Case Action to the Claimant informing her that she was approved for MA benefits for April 2012 and denied for benefits in May 2012. Despite the notice, the Department did not activate coverage based on the fact that the Claimant was not eligible for benefits due to excess assets. During the hearing, the Claimant became upset over the Department error contained in the Notice of Case Action; however, as explained during the hearing, the mistake contained in the Notice of Case Action does not negate the fact that for the month of April 2012, the Claimant was not eligible for MA benefits because her countable assets exceeded \$3,000.00. This fact, which was not disputed, can not be ignored. The Department's error contained in the Notice of Case Action is harmless in that ultimately, the correct action was taken. As the hearing was concluding and it became apparent that the Department's actions were proper, the Claimant left the hearing room.

In light of the foregoing, the Department's determination that the Claimant was not eligible for MA benefits for the month of April 2012 due to excess assets is AFFIRMED.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds the Department established it acted in accordance with department policy when it found the Claimant ineligible for MA coverage due to excess assets for the month of April 2012.

Accordingly, it is ORDERED:

The Department's determination is AFFIRMED.

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

Date Signed: October 12, 2012

Date Mailed: October 12, 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/ctl

cc: [REDACTED]  
Oakland County DHS (04)

C. Mamelka