

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-10111  
Issue No.: 2021  
Case No.: [REDACTED]  
Hearing Date: April 22, 2013  
County: Wayne (82-19)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**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 telephone hearing was held on April 22, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Did the Department properly deny Claimant's Medical Assistance (MA) application on the basis that the value of her assets exceeded the MA asset limit?

**FINDINGS OF FACT**

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

1. On August 2, 2012, Claimant applied for MA.
2. On August 10, 2012, the Department sent Claimant a Notice of Case Action informing her that her MA application was denied because the value of her countable assets exceeded the limit under the MA program. Exhibit 1, pp. 30-34.
3. On October 25, 2012, Claimant filed a request for hearing disputing the Department's actions.

### **CONCLUSIONS OF LAW**

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

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.

Additionally, the Department testified that Claimant's August 2, 2012, MA application was denied because the value of her life insurance exceeded the MA asset limit.

The asset limit for SSI-related MA for an asset group of one (Claimant) is \$2,000. BEM 400 (July 1, 2012), p. 5; BEM 211 (January 1, 2012), pp. 5-6. 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. BEM 400, p. 4.

In this case, Claimant identified on her August 2, 2012, MA application that she had a life insurance policy. The Department had information on file that Claimant had provided in connection with a prior MA application that showed that the policy had a face value of \$7,500. Exhibit 1, p. 16.

For SSI-related MA, a life insurance policy is an asset if it can generate a cash surrender value (CSV), with the policy's value being its CSV. BEM 400, p. 32. A policy is the policy owner's asset. BEM 400, p. 32.

At the hearing, Claimant testified that the cash surrender value of the policy was about \$4,000. Evidence at the hearing showed that Claimant had transferred ownership of the policy to her daughter effective April 20, 2012. Thus, as of April 20, 2012, Claimant was no longer the owner of the policy and it was no longer her asset. However, Claimant listed the life insurance policy on her August 2, 2012, application. The Department did not become aware of the transfer until Claimant filed her October 25, 2012, hearing request and included a copy of the May 2, 2012, letter from the insurer showing the transfer. Because the information the Department had from Claimant at the time it processed her August 2, 2012, MA application showed that Claimant owned a life insurance policy and the CSV of this policy was greater than \$2,000, the Department acted in accordance with Department policy when it denied Claimant's August 2, 2012, MA application for excess assets.

### **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 acted in

accordance with Department policy when it denied Claimant's August 2, 2012, MA application for excess assets. Accordingly, the Department's decision is AFFIRMED.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 2, 2013

Date Mailed: May 2, 2013

**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

ACE/pf

cc:

