

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201316320
Issue No.: 2021
Case No.: [REDACTED]
Hearing Date: February 6, 2013
County: Oakland DHS (03)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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. Participants included the above-named Claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist, and [REDACTED], Supervisor.

ISSUE

The issue is whether DHS properly denied Claimant's application for Medical Assistance (MA) benefits on the basis that Claimant had 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. On an unspecified date, Claimant applied for MA benefits.
2. At the time of application, Claimant was a married individual.
3. Claimant reported to DHS that he had two vehicles, a 1997 Chevrolet Tahoe (Car #1) and a 1997 Mercedes-Benz E-Class (Car #2).
4. DHS determined the Blue Book value of Car #1 to be \$2609 based on a mileage of 90,000 (see Exhibit 1).
5. DHS determined the Blue Book value of Car #2 to be \$5924 based on a mileage of 100,000 (see Exhibit 2).

6. On 12/5/12, determined that Claimant had excess assets and denied Claimant's MA benefit application.
7. The DHS denial was also based on Claimant being an MA benefit group size of one.
8. On 12/10/12, Claimant requested a hearing to dispute the MA benefit determination.

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). DHS 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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The present case concerns the denial of an application requesting MA benefits. DHS denied the application because Claimant's assets allegedly exceeded the asset limit for MA benefit eligibility. It was not disputed that Claimant's only basis for MA benefit eligibility involved SSI-related MA benefit eligibility.

Concerning SSI-related MA benefits, generally, an adult's fiscal and asset group includes the client and his spouse. BEM 211 (11/2012), pp. 5-6. The only exception to the above policy applies to clients in a hospital or long-term care facility. Claimant is not such a client. It was not disputed that Claimant was married at the time of his application and continues to be married (at least through the date of the hearing). DHS should have determined Claimant's group size to be two persons.

The SSI-related MA category asset limit is \$3,000 for an asset group of two. BEM 400 at 5. DHS applied a \$2,000 asset limit (the limit for a group size of one). It is found that DHS erred in determining Claimant's MA benefit group size.

The DHS asset determination was solely based on the value of Claimant's two vehicles. Vehicles are a countable asset. *Id.*, p. 28. DHS regulations instruct specialists how to obtain vehicle values. DHS is to:

- use Kelley Blue Book at (www.kbb.com) or NADA Book at (www.nadaguides.com) wholesale (trade-in) value;
- not add the value of optional equipment, special equipment or low mileage when determining value;
- enter the greater of actual mileage or 12,000 per year.
- Enter the client's zip code.

- Do not change the preset typical equipment.
 - Enter "fair" as the condition.
 - Use the trade-in value.
- (*Id.*, p. 46).

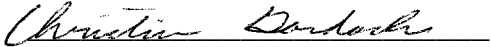
As of 2012, the year of the DHS case action, Claimant's vehicles were 16 years old (counting 1997 as the first year). In determining the value of each vehicle, DHS simply made up the mileage. DHS capriciously assigned a mileage of 100,000 to Car #1 (see Exhibit 2) and 90,000 to Car #2 (see Exhibit 2). Had DHS followed their regulations, the mileage that should have been factored would be 192,000 miles (12,000 miles x 16 years). The improper mileage could have easily affected the countable value of the vehicles. It is found that DHS erred in determining the value of both of Claimant's vehicles and that the denial of MA benefits based on assets was improper.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly denied Claimant's MA benefit application. It is ordered that DHS:

- (1) reinstate Claimant's application for MA benefits related to the Notice of Case Action date of 12/5/12;
- (2) process Claimant's MA benefit eligibility subject to the findings that Claimant is part of a group size of two persons;
- (3) process Claimant's MA benefit eligibility subject to the finding that the value of Claimant's vehicles should be based on a mileage of 192,000;
- (4) initiate supplement for any MA benefits not received as a result of the improper denial.

The actions taken by DHS are REVERSED.


Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: February 11, 2013

Date Mailed: February 11, 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 to:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:

