

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201325045
Issue No.: 2021
Case No.: [REDACTED]
Hearing Date: April 18, 2013
County: Wayne DHS (19)

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, an in-person hearing was held on April 18, 2013 from Inkster, Michigan. Participants included the above-named claimant. [REDACTED] testified on behalf of Claimant. [REDACTED] testified and appeared as Claimant's authorized hearing representative. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Supervisor.

ISSUE

The issue is whether DHS properly denied Claimant's Medical Assistance (MA) eligibility based on 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. Claimant was a disabled individual.
2. Claimant and her spouse each have a vehicle, checking account and savings account.
3. DHS evaluated the value of Claimant's and her spouse's vehicles without factoring mileage.
4. DHS determined that Claimant and her spouse had \$693.08 in liquid assets.

5. On 10/10/12, DHS determined that Claimant was not eligible for MA benefits in 8/2012 due to excess assets.
6. On 1/4/13, Claimant requested a hearing to dispute the determination of 8/2012 MA benefit eligibility.

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).

The present case concerned a denial of MA eligibility for 8/2012 due to excess assets. It was not disputed that Claimant and her spouse are potentially eligible for SSI-related MA. The SSI-related MA category asset limit is \$3,000 for a benefit group of two. BEM 400 (7/2012), p. 5. DHS based the determination on the value of Claimant's and her spouse's vehicles and bank accounts.

To determine value of the vehicle, DHS is to do the following:

- Use Kelley Blue Book at (www.kbb.com) or NADA Book at (www.nadaguides.com) wholesale (trade-in) value.
- Do 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.

(*Id.* p. 46)

It was not disputed that DHS determined that Claimant's asset group had \$2382 in vehicle assets for 8/2012. DHS claimed to determine each of the vehicle values while disregarding the car with the higher value. DHS failed to show how the values for the vehicles were obtained. Without any verification of the vehicle values, the DHS determination cannot be affirmed.

Though DHS failed to verify how the values were obtained, DHS testimony conceded that the mileage of the vehicles was not a factor in determining value. As noted above in the DHS policy citation, mileage is a required factor in vehicle value. Accordingly, DHS must factor vehicle mileage when redetermining Claimant's MA benefit eligibility for 8/2012.


It was not disputed that DHS determined that Claimant's asset group had \$693 in liquid assets for 8/2012. It was not established how this amount broke-down between the four bank accounts of Claimant and her spouse. Between Claimant and DHS, verification for only one of the four accounts was presented. The below administrative order cannot address the issue of assets due to a lack of evidence from Claimant and DHS.

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 eligibility for 8/2012. It is ordered that DHS:

- (1) re-calculate Claimant's assets for 8/2012, including factoring vehicle mileage as required by BEM 400; and
- (2) supplement Claimant for any MA benefits improperly not issued.

The actions taken by DHS are REVERSED.


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

Date Signed: 5/1/2013

Date Mailed: 5/1/2013

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

CG/hw

cc:

