

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

IN THE MATTER OF:

[REDACTED]

Reg No: 201311003

Issue No: 2021

Case No: [REDACTED]

Hearing Date: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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, an in-person hearing was held on [REDACTED]. Claimant appeared and testified. Claimant's Attorney, [REDACTED], also appeared. The Department was represented by [REDACTED]. [REDACTED], also appeared for the Department by telephone.

ISSUE

Was the Department correct in denying Claimant's Medical Assistance application due to 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 applied for MA benefits on [REDACTED].
2. Claimant's application for MA was denied on [REDACTED], due to excess assets because Claimant owned non-exempt vehicles and boats valued over the asset limit.
3. At the time of application Claimant owned a 2004 Chevy Blazer, a 1992 GM pickup, a [REDACTED] motorcycle, 1989 Harris boat and a boat trailer.
4. Claimant requested a hearing on [REDACTED], contesting the denial of MA.

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 (formerly known as the Family Independence Agency) 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 Program Reference Manual (PRM). 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

MA ASSET ELIGIBILITY

LIF, G2U, G2C, AMP and SSI-Related MA Only

Asset eligibility is required for LIF, G2U, G2C, AMP and SSI-related MA categories.

Note: Do **not** deny or terminate TMA-Plus, Healthy Kids or Group 2 Pregnant Women because of a refusal to provide asset information or asset verification requested for purposes of determining LIF, G2U, G2C or SSI-related MA eligibility.

Use the special asset rules in [BEM 402](#) for certain married L/H and waiver patients. See BPG Glossary, for the definition of L/H patient and [BEM 106](#) for the definition of waiver patient.

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

VEHICLES

SSI-Related MA and FAP

A **vehicle** is a device used to transport people or goods. Vehicle includes passenger cars, trucks, motorcycles, motorbikes, trailers, campers, motor homes, boats and all-terrain vehicles.

Vehicles

- Title, registration or proof of insurance.
- Loan statement or payment book.
- Secretary of State (SOS) inquiry. This inquiry needs to be done only if no other verification source is available or if the client requests assistance.

Exception: This is the only acceptable verification source for unlicensed vehicles driven by tribal members on Native American reservations. The SOS clearance must be completed by a local office.

To determine value of the vehicle, 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.

Note: For FAP, accept the client's statement on the actual mileage.

- Enter the client's ZIP code.
- Do **not** change the preset typical equipment.
- Enter "fair" as the condition.
- Use the trade-in value.

Statement of vehicle dealer or junk dealer, as appropriate.

Allow the person to verify a claim that the vehicle is worth less (example: due to damage) than wholesale book value. If the vehicle is no longer listed, accept the person's statement of value. BEM 400.

In the present case, the Claimant owned the following vehicles and boats at the time of application: a 2004 Chevy Blazer, a 1992 GM pickup, 1989 Harris boat and a boat trailer. This was not disputed by either side. The issues that the parties disagreed about are the value of the property and whether Claimant owned a [REDACTED] motorcycle. The 2004 Chevy Blazer was exempt, both sides agreed to this. Claimant asserted that the 1992 GM pickup was in need of repair and was valued around \$ [REDACTED]. Claimant asserted that the 1989 Harris boat had a blown motor and was valued around \$ [REDACTED]. Claimant asserted the [REDACTED] was listed in a bankruptcy and his ownership interest in the motorcycle was questionable. Claimant had possession of the [REDACTED] at the time of application and listed it on his application. Claimant

testified that the [REDACTED] motorcycle was repossessed in the months following the denial.

Pursuant to Department policy the Department workers went about ascertaining the value of the property. Claimant was given an opportunity to take the vehicles to mechanics for an assessment and rough appraisal. Claimant failed to do so. The Department placed values on the vehicles as instructed by Department policy BEM 400 by using the NADA values and by consulting a boat seller in the area. The NADA value for the [REDACTED] was \$ [REDACTED] the value for the 1989 Harris boat was \$ [REDACTED] based on assessment provided by Krupa's boat sellers, the value of the GMC truck was \$ [REDACTED] and the value of the boat trailer was \$ [REDACTED]. Even assuming that Claimant had no ownership interest in the [REDACTED] the Claimant had excess assets based on the value of the other vehicles specifically the 1989 Harris boat, the 1992 GMC truck, and the boat trailer. The combined value of those vehicles was \$ [REDACTED] over the \$3,000 asset limit for MA. Therefore, the Department's denial for MA due to excess assets was proper and correct. Claimant was given an opportunity to provide assessments that confirmed the values he placed on the vehicles but he failed to do so. Absent that, Department policy dictates that the Department value the property in precisely the manner in which they did. BEM 400. This Administrative Law Judge also finds that Claimant did have an ownership interest in the [REDACTED] motorcycle at the time of application otherwise he would not have listed it on his application. The Department's valuation of the [REDACTED] was also proper and correct and his application could have been denied for excess assets based on the value of the [REDACTED] alone.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the denial of Claimant's MA application due to excess assets and it is ORDERED that the Department's decision in this regard be and is hereby **AFFIRMED**.



Aaron McClintic
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 02/01/2013

Date Mailed: 02/01/2013

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.

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

AM/kl

cc:

