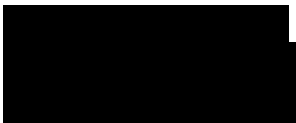


STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No.: 2013-48469
Issue No.: 2018
Case No.: [REDACTED]
Hearing Date: August 1, 2013
County: Wayne County DHS (76)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 August 1, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] Family Independence Specialist.

ISSUE

Did the Department properly deny Claimant's Medical Assistance (MA) application effective April 1, 2013, ongoing, 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. On April 1, 2013, Claimant applied for MA benefits. Exhibit 1.
2. On May 15, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA application was denied effective April 1, 2013, ongoing, due to her excess assets. Exhibit 1.
3. On May 20, 2013, Claimant filed a hearing request, protesting the Department's action. Exhibit 1.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the 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.

In this case, on April 1, 2013, Claimant applied for MA benefits. Exhibit 1. On May 15, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA application was denied effective April 1, 2013, ongoing, due to her excess assets. Exhibit 1.

All types of assets are considered for SSI-related MA categories. BEM 400 (January 2013), p. 2. Asset eligibility is required for LIF, G2U, G2C, AMP and SSI-related MA categories. BEM 400, p. 4. 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. For all other SSI-related MA categories, the asset limit is \$ [REDACTED] for an asset group of one or \$ [REDACTED] for an asset group of two. BEM 400, p. 5.

For SSI-Related MA cases, checking and drafts accounts, savings and share accounts, and money market accounts are types of cash assets. BEM 400, p. 11. Also, for LIF, G2U, G2C, and SSI-related MA categories, lump sums and accumulated benefits are *income* in the month received. BEM 400, p. 12. However, the following are considered assets: income tax refunds; nonrecurring proceeds from the sale of assets; and payments that are excluded as assets. BEM 400, p. 12. For AMP, lump sums and accumulated benefits are *assets* starting the month received. BEM 400, p. 11.

At the hearing, Claimant received a lump sum payment in October 2012 in the amount of \$ [REDACTED]. See Exhibit 1. The Department testified that Claimant did not list any bank accounts on her application and did not indicate how the \$ [REDACTED] was spent. See Hearing Summary and Application, Exhibit 1. Moreover, the Department testified that it requested receipts on how the money was spent and requested old bank statements that would show when the money was taken out of her account. See Hearing Summary, Exhibit 1.

Claimant testified that she received such a request. However, Claimant testified that she believed her bank account was open at the time of application. Claimant testified, though, that she could not obtain a bank statement because she could not afford it. Moreover, Claimant testified that she did close her bank account in May 2013 and her balance was only \$ [REDACTED]. During the hearing, the Department discovered that no verification checklist was sent to the Claimant to verify her bank statements, assets, and/or income.

The Departments use the DHS -3503, Verification Checklist (VCL) to request verification. BAM 130 (May 2012), p. 3. Before determining eligibility, the Department

gives the client a reasonable opportunity to resolve any discrepancy between his statements and information from another source. BAM 130, p. 6.

Based on the foregoing information and evidence, the Department improperly denied Claimant's MA application effective April 1, 2013, ongoing. There is a clear discrepancy between whether Claimant's assets exceed the policy limits. It was unclear originally from the testimony if whether such bank statements, assets, and/or income were requested by the Department. But, during the course of the hearing, the Department verified and confirmed that no such VCL was sent to determine if whether Claimant's assets exceeded the policy limits. Thus, the Department has to send out a VCL before determining eligibility to resolve Claimant's lump sum payment issue and/or request for bank statements.

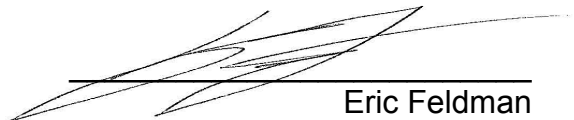
DECISION AND ORDER

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 did not act properly when it denied Claimant's MA application effective April 1, 2013, ongoing.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Initiate reregistration of the April 1, 2013 application;
2. Begin reprocessing the application/recalculating the MA budget for April 1, 2013, ongoing, in accordance with Department policy;
3. Begin issuing supplements to Claimant for any MA benefits she was eligible to receive but did not from April 1, 2013, ongoing; and
4. Begin notifying Claimant in writing of its MA decision in accordance with Department policy.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 26, 2013

Date Mailed: August 26, 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 affect the substantial rights of the claimant,
 - 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

EF/hj

cc:

