

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-001300
Issue No.: 2001
Case No.: [REDACTED]
Hearing Date: June 5, 2014
County: Macomb (20)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, an in-person hearing was held on June 5, 2014, from Warren, Michigan. Participants included the above-named Claimant. [REDACTED] appeared and testified as Claimant's authorized hearing representative. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearings Facilitator.

ISSUE

The issue is whether DHS properly determined Claimant's to be asset-ineligible in determining Claimant's Medical Assistance (MA) eligibility.

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 [REDACTED], Claimant applied for MA benefits, including retroactive MA benefits form 5/2012 and 6/2012.
2. Claimant's application was based on a claim of disability for a group size of 1 person.
3. As of 6/2012, Claimant was a boat owner.
4. On an unspecified date, Claimant sold his boat for \$3,200.
5. On [REDACTED], DHS requested documents related to the sale of Claimant's boat, and where Claimant spent the boat's proceeds.

6. The due date for Claimant's response was extended to [REDACTED].
7. Claimant failed to verify the boat sale, or where the money was spent.
8. On [REDACTED], DHS denied Claimant's MA eligibility for 5/2012 and 6/2012.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105. Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM) and Department of Human Services Bridges Eligibility Manual (BEM) and Department of Human Services Reference Tables Manual (RFT).

Claimant requested a hearing to dispute a denial of MA benefits for 5/2012 and 6/2012. DHS initially stated that the denial was based on Claimant's failure to verify information related to a boat.

DHS presented a Notice of Case Action (Exhibits 3-5). The denial reason listed on the Notice of Case Action was that Claimant was over the MA asset limit. DHS is bound to the reason listed on the Notice of Case Action to justify the application denial.

It was not disputed that Claimant, as an aged and/or disabled individual, was potentially eligible only for SSI-related MA benefits. The SSI-related MA category asset limit is \$2,000 for a benefit group of one. BEM 400 (4/2012), p. 5.

DHS presented an MA asset budget (Exhibit 6) for 6/2012. The budget stated that DHS counted \$3,000 in a "lump sum payment". Presumably, Claimant reported to DHS that he sold his boat for \$3,000 and DHS took Claimant at his word.

An asset converted from one form to another (example: an item sold for cash) is still an asset. *Id.*, p. 2. Asset eligibility exists when the group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. *Id.*, p. 3 Thus, when Claimant sold his boat is not directly relevant. It is relevant when Claimant spent the proceeds from the boat sale.

Claimant testified that after he sold his boat, he immediately spent the money on a property tax arrearage. Claimant's testimony was unverified.

Claimant had ample time in 12/2013, following multiple DHS due date extensions, to obtain a receipt from his city treasurer to verify when Claimant supposedly paid his

property taxes. Claimant conceded that he did not submit proof of his tax payment to DHS.

Had Claimant brought a receipt to the hearing, consideration would have been given to accepting the verification as a sufficiently timely submission. Claimant testified that he did not bring tax payment documents to the hearing because he could not obtain any such documents. Claimant also failed to bring documentation of when his boat was sold.

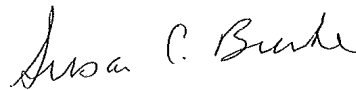
Claimant's AHR noted that DHS' actions raised concerns. For example, if Claimant failed to verify selling his boat, it would seem that DHS should not have issued any MA coverage to Claimant. Presumably, DHS accepted Claimant's word on selling his boat, for purposes of MA eligibility for 7/2012 and future months. DHS did not extend the courtesy to Claimant for his eligibility from 5/2012 and 6/2012. The DHS actions were reasonable.

It is also concerning that DHS requested Claimant's asset verifications more than one year after Claimant applied for MA benefits. Though DHS's delay was less than ideal, the delay should not have hampered Claimant from obtaining requested verifications. DHS demonstrated good faith by extending Claimant's due date (on multiple occasions) to return requested verifications.

Based on the presented evidence, it is found that DHS properly determined Claimant to have \$3000 in assets for purposes of MA eligibility for the months of 5/2012 and 6/2012. Accordingly, DHS properly denied Claimant's MA eligibility for 5/2012 and 6/2012.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly denied Claimant's MA eligibility for 5/2012 and 6/2012. The actions taken by DHS are **AFFIRMED**.



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

Date Signed: **6/27/2014**

Date Mailed: **6/27/2014**

CG / hw

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

cc:



