

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 14-016361
Issue No.: MEDICAID - ELIGIBILITY
Case No.: [REDACTED]
Hearing Date: February 05, 2015
County: KALAMAZOO

ADMINISTRATIVE LAW JUDGE: Colleen Lack

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, a three way telephone hearing was held on February 5, 2015, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED], the Claimant, and [REDACTED], husband and Authorized Hearing Representative. Participants on behalf of the Department of Human Services (Department) included [REDACTED] Hearing Facilitator.

ISSUE

Did the Department properly deny Claimant's Medical Assistance (MA) application?

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 September 16, 2014, Claimant applied for MA.
2. On September 17, 2014, a Healthcare Coverage Supplemental Questionnaire was issued to Claimant with a due date of September 29, 2014.
3. Claimant received a lump sum issuance of Social Security Administration (SSA) benefits, resulting in a large balance in her bank account.
4. The Department received the completed Healthcare Coverage Supplemental Questionnaire, which included Claimant's reported bank account balances.
5. On October 23, 2014, a Health Care Coverage Determination Notice was issued to Claimant indicating the MA application was denied, but a generic reason was listed as the reason for the denial rather than the actual reason, excess assets.
6. On October 30, 2014, Claimant filed a hearing request contesting the Department's action.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

A notice of case action must specify the following: the action(s) being taken by the department, the reason(s) for the action, the specific manual item which cites the legal base for an action or the regulation or law itself, an explanation of the right to request a hearing, and the conditions under which benefits are continued if a hearing is requested. BAM 220, 10-1-2014, p. 2.

For SSI-Related MA, the Department is to exclude retroactive RSDI and SSA-issued SSI benefits for nine calendar months beginning the month after payment is received. The Department does not exclude purchases made with such funds including CDs and other time deposits. This exclusion applies only to any unspent portion of the retroactive payment from RSDI or SSI. Once the money from the retroactive payment has been spent, this exclusion does not apply to the items purchased with the money, even if the nine month period has not expired. The money may be commingled with other funds but, if this is done in such a fashion that the retroactive amount can no longer be separately identified, that amount will count toward the resource limit. The policy then continues with direction for how to separate countable and excluded funds that are commingled. BEM 400, 10-1-2014, p. 21.

In this case, the Hearing Facilitator acknowledged that the written case action notice did not list the accurate reason her MA application was denied. The Hearing Facilitator testified that a generic reason was listed on the denial notice. The hearing facilitator testified that the application was denied because Claimant's reported assets exceeded the \$3000 limit. Accordingly, the Department did not issue a proper written notice of case action to Claimant as required by BAM 220. Therefore, the October 23, 2014, denial of this MA application cannot be upheld.

Claimant's husband explained that the high bank account balance reported on the completed Healthcare Coverage Supplemental Questionnaire was due to a lump sum of SSA issued disability benefits. However, no verifications were submitted with the Healthcare Coverage Supplemental Questionnaire. The Hearing Facilitator testified that the Department would need verification(s) to determine if the exclusion for retroactive RSDI and SSA-issued SSI benefits is applicable.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Claimant's MA application.

DECISION AND ORDER

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Re-determine Claimant's eligibility for MA for the September 16, 2014, application, to include requesting any needed verification(s), in accordance with Department policy.
2. Issue written notice of the determination in accordance with Department policy.
3. Supplement for lost benefits (if any) that Claimant was entitled to receive, if otherwise eligible and qualified in accordance with Department policy.



Colleen Lack
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **2/24/2015**

Date Mailed: **2/24/2015**

CL/hj

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 48909-8139

CC:

