

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

IN THE MATTER OF:

██████████
██████████
██████████

Reg. No.: 14-018001
Issue No.: 2001
Case No.: ██████████
Hearing Date: March 09, 2015
County: Wayne-District 19

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 telephone hearing was held on March 9, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████████, Hearing Facilitator.

ISSUE

Did the Department properly close Claimant's Medical Assistance (MA) case because of 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. Claimant was an ongoing recipient of MA coverage under the Ad-Care program and an ongoing recipient of Medicare Savings Program (MSP) benefits.
2. Claimant is unmarried.
3. In connection with a redetermination concerning her MA, MSP and Food Assistance Program (FAP) case, Claimant identified three bank accounts and provided verification of the amounts in each account.
4. On December 5, 2014, the Department sent Claimant a Health Care Coverage Determination Notice advising her that (i) she was approved for MSP benefits for

January 1, 2015 ongoing and (ii) she was denied for January 1, 2015 ongoing because the value of her countable assets was higher than allowed for the program.

5. On December 12, 2014, Claimant requested a hearing disputing the Department's actions.

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.

Claimant requested a hearing concerning the closure of her case. The December 5, 2014, Health Care Coverage Notice advised Claimant that (i) she was approved for MSP benefits for January 1, 2015 ongoing and (ii) she was denied for January 1, 2015 ongoing because the value of her countable assets was higher than allowed for the program. At the hearing, the Department explained that Claimant was approved for ongoing MSP coverage but her MA case under the Ad-Care program had closed due to excess assets. The Department provided an eligibility summary showing, consistent with its testimony, that Claimant had ongoing MSP coverage under the Qualified Medicare Beneficiaries (QMB) program. QMB is the most beneficial of the MSP programs, covering a client's Medicare premiums (both Part A and Part B), Medicare coinsurances and Medicare deductibles. BEM 165 (January 2015), pp. 1-2. The eligibility summary also shows that Claimant's MA coverage under the Ad-Care program closed effective January 1, 2015. Therefore, the issue presented at the hearing was the closure of Claimant's MA case.

Asset eligibility is required for MA coverage under SSI-related MA categories, which are categories providing MA coverage to individuals who are aged, disabled or blind. BEM 400 (January 2015), p. 1; BEM 105 (October 2014), p. 1. For SSI-related MA categories other than MSP, the asset limit is \$2000 for an unmarried individual. BEM 400, p. 7; BEM 211 (January 2015), p. 5. At the hearing, the Department testified that it concluded that the value of Claimant's assets exceeded the applicable MA limit based on the value of her checking and savings accounts.

Checking and savings accounts are assets. BEM 400, p. 14. The value of an account is the amount of cash in the account. BEM 400, p. 16. Department policy provides that 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.

In this case, Claimant provided bank statements showing that (i) her checking balance at [REDACTED] as of [REDACTED] was [REDACTED]; (ii) her checking balance at [REDACTED] as of [REDACTED] was [REDACTED]; and (iii) her savings balance at [REDACTED] as of [REDACTED] was [REDACTED]. The Department concluded that because the sum of these account balances was [REDACTED], over the \$2000 MA asset limit, Claimant was not asset eligible for MA.

Because Claimant receives a monthly social security automatic deposit of [REDACTED] into the [REDACTED] checking account, the Department improperly failed to deduct this income from the calculation of the value of the [REDACTED] account. See BEM 400, p. 20. However, this error is harmless in light of the outstanding [REDACTED] balance in the [REDACTED] account, which is clearly over the \$2000 limit for MA eligibility under SSI-related categories (other than MSP). Claimant explained that the [REDACTED] account consisted of funds she received in August 2014 following her [REDACTED] death. While a lump sum benefit is considered income in the month received, as of January 1, 2015, the funds remaining in the account were assets. BEM 400, p. 15. Therefore, the Department acted in accordance with Department policy when it counted the full value of the funds remaining in the [REDACTED] account in determining Claimant's MA asset-eligibility. Because the value of the funds in Claimant's accounts exceeded \$2000, Claimant was not asset-eligible for MA.

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 acted in accordance with Department policy when it closed Claimant's MA case.

DECISION AND ORDER

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



Alice C. Elkin
Administrative Law Judge
for Nick Lyon, Interim Director
Department of Human Services

Date Signed: **3/13/2015**

Date Mailed: **3/13/2015**

ACE / tlf

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:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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