

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

**IN THE MATTER OF:**

██████████  
██████████  
██████████

Reg. No.: 14-016658  
Issue No.: 2001  
Case No.: ██████████  
Hearing Date: February 19, 2015  
County: WAYNE-DISTRICT 18  
(TAYLOR)

**ADMINISTRATIVE LAW JUDGE: Eric Feldman**

**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 19, 2015, from Detroit, Michigan. Participants on behalf of Claimant included Claimant, ██████████, and Claimant's Authorized Hearing Representative (AHR), ██████████ ██████████ ██████████ ██████████ ██████████ ██████████. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████, Hearings Facilitator.

**ISSUE**

Did the Department properly deny Claimant's retroactive Medical Assistance (MA) benefits for January 2014 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 10, 2014, the authorized representative (AR – who is also the AHR in this case) applied for MA benefits on behalf of the Claimant, retroactive to January 2014. See Exhibit 1, pp. 2-4.
2. Claimant's AHR indicated that the only benefit month at issue is January 2014.
3. Claimant's asset group is one.
4. On April 10, 2014, Claimant's AHR also provided verification of her assets for January 2014. See Exhibit 1, pp. 7-8. Claimant's asset verification indicated the

following: (i) a checking account balance (account number -7118) of \$.47 as of December 31, 2013 and \$166.54 as of January 31, 2014; (ii) a savings account balance (account number -5771) of \$0.00 as of December 31, 2013 and \$.16 as of January 31, 2014; and (iii) a Certificate of Deposit (CD) balance (account number -3848) of \$0.00 as of December 31, 2013 and \$3,161.12 as of January 31, 2014. See Exhibit 1, pp. 7-8. Claimant's asset verification also provided a comments section, which stated "Provided ending balance is the opening balance for the next month." See Exhibit 1, p. 8. Due to this comment section, Claimant's CD balance was at least zero for one day during the month being tested, specifically, January 1, 2014.

5. The Department, though, indicated that Claimant's CD balance of \$3,161.12 resulted in her denial of MA benefits because her assets exceeded the \$2,000 asset limit for a group size of one.
6. On September 10, 2014, the Department sent Claimant's AHR a Health Care Coverage Determination Notice (determination notice) notifying the AHR that Claimant's MA benefits were denied for January 1, 2014 to March 31, 2014 due to excess assets. See Exhibit 1, p. 11.
7. On November 11, 2014, Claimant's AHR filed a hearing request, protesting the denial of MA benefits for the month of January 2014. See Exhibit A, p. 1.

### **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.

In this case, the Department indicated that Claimant's total assets exceeded the asset limit for the MA – AD-Care program. See Exhibit 1, p. 1. MA – AD-Care is a Supplemental Security Income (SSI)-related Group 1 MA category. See BEM 163 (July 2013), p. 1. Claimant's countable assets cannot exceed the asset limit in BEM 400. BEM 163, p. 2. Assets must be considered in determining eligibility for SSI-related MA categories. BEM 400 (July 2014), p. 1. For MA asset eligibility, 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, pp. 5-6. For all other

SSI-related MA categories, the asset limit is \$2,000 for an asset group of one. See BEM 400, p. 7. Cash (which includes checking accounts, savings accounts, and time deposits (i.e. CDs)) are considered countable assets. See BEM 400, pp. 13-14.

Based on the foregoing information and evidence, the Department improperly denied Claimant's MA benefits for January 2014 due to excess assets. Claimant's denial of MA benefits was not the result of her checking/savings account balances, but her CD account balance. The Department argued that her CD balance of \$3,161.12 resulted in her denial of MA benefits because her assets exceeded the \$2,000 asset limit. However, the Department improperly denied Claimant's MA benefits because it only used her ending CD account balance. Policy clearly states that MA 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, pp. 5-6 (emphasis added). As such, Claimant's asset verification indicated that the CD balance was \$0.00 as of December 31, 2013. See Exhibit 1, pp. 7-8. Furthermore, Claimant's asset verification provided a comments section, which stated "Provided ending balance is the opening balance for the next month." See Exhibit 1, p. 8. Due to this comment section, Claimant's CD balance was at least zero for one day during the month being tested, specifically, January 1, 2014. Therefore, Claimant was MA asset eligible for January 2014 because the combined assets of her checking, savings, and CD accounts (zero dollar balance in CD account at least on January 1, 2014) were below the \$2,000 asset limit for a group size of one. See Exhibit 1, pp. 7-8 and BEM 400, pp. 1-14.

### **DECISION AND ORDER**


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 did not act in accordance with Department policy when it improperly denied Claimant's retroactive MA application for the benefit month of January 2014.

Accordingly, the Department's MA 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. Initiate re-registration and reprocessing of Claimant's retroactive MA application for January 2014;
2. Redetermine Claimant's MA eligibility for January 2014, subject to Claimant's combined assets of her checking, savings, and CD accounts being below the \$2,000 asset limit for a group size of one (for January 2014);

3. Begin issuing supplements to Claimant for any MA benefits she was eligible to receive but did not for January 2014; and
4. Begin notifying Claimant and Claimant's AHR of its MA decision in accordance with Department policy.



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**Eric Feldman**  
Administrative Law Judge  
for Nick Lyon, Interim Director  
Department of Human Services

Date Signed: **2/25/2015**

Date Mailed: **2/25/2015**

EJF / cl

**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:

