



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: March 6, 2017  
MAHS Docket No.: 17-001111

[REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Gary Heisler**

### **HEARING DECISION**

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on February 22, 2017, from Lansing, Michigan. Petitioner was represented by himself and his spouse [REDACTED]. The Department was represented by Hearing Facilitator [REDACTED]. Department's Exhibit A, pages 1-166 was admitted into evidence.

### **ISSUE**

Did the Department properly deny Petitioner's Medical Assistance (MA), State Disability Assistance (SDA) and Food Assistance Program (FAP) 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 December 5, 2016, Petitioner submitted applications for Medical Assistance (MA), Food Assistance Program (FAP) and State Disability Assistance (SDA). Petitioner submitted documentation showing his spouse, [REDACTED], is the beneficiary of a trust with assets of approximately \$[REDACTED].
2. On December 6, 2016, Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606) which stated Petitioner was eligible for full coverage Medicare Savings Program on December 1, 2016 to December 1, 2016 and was not eligible for from January 1, 2017 ongoing due to failure to verify requested information.

3. On December 6, 2016, Petitioner was sent a Verification Checklist (DHS-3503) for Medicaid which requested proof of all earned and unearned income for the last 30 days. The verifications were due on December 16, 2016.
4. On December 7, 2016, Petitioner was sent a Verification Checklist (DHS-3503) for Food Assistance Program (FAP).
5. On December 7, 2016, Petitioner was sent a different Health Care Coverage Determination Notice (DHS-1606) which stated he and his spouse were not eligible for Medical Assistance (MA) due to excess assets.
6. On December 7, 2016, Petitioner was sent a Notice of Case Action (DHS-1605) which stated his application for Cash was denied due to excess assets.
7. On December 15, 2016, Petitioner was sent another Verification Checklist (DHS-3503) for Food Assistance Program (FAP). The Department was requesting all pages of a Trust in [REDACTED] name, as well as loss of employment reported by Petitioner and verification of vehicle ownership. The verifications were due by December 27, 2016.
8. On December 28, 2016, Petitioner was sent a Notice of Case Action (DHS-1605) which stated the Food Assistance Program (FAP) application was denied for failure to provide all required verifications.
9. On January 3, 2017, Petitioner submitted additional verifications but did not submit verification of his loss of employment.
10. On January 20, 2017, Petitioner submitted a hearing request,

### **CONCLUSIONS OF LAW**

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

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The State Disability Assistance (SDA) program is established by the Social Welfare Act, MCL 400.1-.119b. The Department of Health and Human Services (formerly known as the Department of Human Services) administers the SDA program pursuant to 42 CFR 435, MCL 400.10 and Mich Admin Code, R 400.3151-.3180.

Bridges Eligibility Manual (BEM) 400 Assets (7-1-2016) contains the Department's guidance on countable assets and the asset limit for programs. That includes identifying: an SSI-related MA asset limit of [REDACTED], for a group of two; a [REDACTED] cash, investments and retirement plan limit for State Disability Assistance (SDA); and a [REDACTED] Food Assistance Program (FAP) asset limit. Additionally, it requires that all trusts and annuities be sent to the Trusts and Annuities Unit for evaluation. The evidence in this record does not contain an evaluation from the Trusts and Annuities Unit.

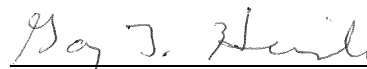
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it denied Petitioner's Medical Assistance (MA), State Disability Assistance (SDA) and Food Assistance Program (FAP) 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. Reinstate Petitioner's December 5, 2016 applications and process them in accordance with Department policy.



**Gary Heisler**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

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

██████████

██████████  
██████████  
██████████ ██████████

██████████████████

██████████████████  
██████████████████  
██████████ ██████████