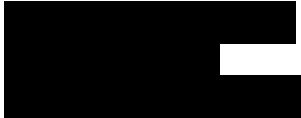




RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON
DIRECTOR



Date Mailed: October 18, 2017
MAHS Docket No.: 17-010251
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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. After due notice, telephone hearing was held on September 19, 2017, from [REDACTED] Michigan. The Petitioner was represented by her daughter [REDACTED]. Petitioner testified on her own behalf. The Department was represented by [REDACTED] Lead Worker.

ISSUE

Did the Department of Health and Human Services (Department) properly deny Petitioner's application for Medical Assistance (MA)?

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 May 31, 2017, the Department received Petitioner's application for Medical Assistance (MA). Exhibit A, pp 29-42.
2. On June 6, 2017, the Department received Petitioner's Health Care Coverage Supplemental Questionnaire (DHS-1004). Exhibit A, pp 9-11.
3. On July 7, 2017, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of a life insurance policy by July 17, 2017. Exhibit A, pp 12-13.
4. On July 17, 2017, the Department received verification that Petitioner's life insurance policy had a \$ [REDACTED] net surrender value as of July 17, 2017. Exhibit A, p 27.

5. On July 17, 2017, the Department notified Petitioner that it had denied her application for Medical Assistance (MA). Exhibit A, p 4.
6. On August 1, 2017, the Department received Petitioner's request for a hearing protesting the denial of her application for Medical Assistance (MA). Exhibit A, pp 2-3.

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 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 Healthy Michigan Plan (HMP) provided health care coverage for individuals who do not qualify for or are not enrolled in Medicare. Department of Health and Human Services Bridges Eligibility Manual (BEM) 137 (October 1, 2016), p 1.

Petitioner is Medicare eligible and is not eligible for the Healthy Michigan Plan, which does not have an asset limit. Therefore, the Department determined Petitioner's eligibility for MA under the G2S category, which has an asset limit.

Assets means cash, any other personal property and real property. Real property is land and objects affixed to the land such as buildings, trees and fences. Condominiums are real property. Personal property is any item subject to ownership that is not real property. Countable assets cannot exceed the applicable asset limit. An asset is countable if it meets the availability tests and is not excluded. Available means that someone in the asset group has the legal right to use or dispose of the asset. Department of Human Services Bridges Eligibility Manual (BEM) 400 (July 1, 2017), pp 1-7.

The asset limit for a group of one under the G2S category is \$ [REDACTED] BEM 400.

On May 31, 2017, the Department received Petitioner's application for MA benefits. Petitioner has a life insurance policy with a net surrender value of [REDACTED] which exceeds the asset limit to receive benefits under the G2S category.

Life insurance funded trusts, regardless of including specific goods or services, or naming a funeral provider, are countable if revocable and a divestment if irrevocable. BEM 400.


Since Petitioner's life insurance policy as a surrender value, it is not irrevocable.

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 denied Petitioner's application for Medical Assistance (MA).

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/nr



Kevin Scully
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

DHHS

[REDACTED]

Authorized Hearing Rep.

[REDACTED]

Petitioner

[REDACTED]