



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

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Date Mailed: August 22, 2018  
MAHS Docket No.: 18-005048  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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; 42 CFR 438.400 to 438.424; 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 July 27, 2018, from Detroit, Michigan. Petitioner appeared and was unrepresented. The Michigan Department of Health and Human Services (MDHHS) was represented by Valarie Foley, hearing facilitator.

**ISSUE**

The issue is whether MDHHS properly terminated Petitioner's Medical Assistance (MA) eligibility effective March 2018.

**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 an unspecified date, MDHHS received "asset detection" information concerning bank accounts of Petitioner. Listed bank accounts included two accounts which were in the names of Petitioner and one of his minor children. (Exhibit A, pp. 8-15)
2. On February 13, 2018, MDHHS mailed Petitioner a Verification Checklist requesting proof of checking account information. The stated due date was February 23, 2018.
3. On March 9, 2018, MDHHS terminated Petitioner's MA eligibility, effective April 2018, due to unverified assets.
4. On April 16, 2018, Petitioner applied for MA benefits.

5. On April 16, 2018, MDHHS mailed Petitioner a Verification Checklist requesting proof of checking account information. The stated due date was April 26, 2018. (Exhibit A, p. 7)
6. On an unspecified date, MDHHS denied Petitioner's MA application due to Petitioner failing to verify checking account information.
7. On May 18, 2018, Petitioner requested a hearing to dispute the application denial. (Exhibit A, pp. 2-3)
8. As of the hearing date, Petitioner had not yet submitted proof of checking account information held jointly with his children.

### **CONCLUSIONS OF LAW**

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. MDHHS policies are contained in the Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), and Reference Tables Manual (RFT).

Petitioner requested a hearing to dispute a termination of MA benefits and a subsequent application denial of MA benefits. MDHHS did not provide a corresponding written notice for either action. Unrebutted MDHHS testimony indicated that both disputed actions took place due to Petitioner's failure to verify assets.

Assets must be considered in determining eligibility for SSI-related MA categories. BEM 400 (January 2018), p. 1. The asset limit for Supplemental Security Income (SSI)-Related MA is \$2,000. *Id.*, p. 8.

For all programs, MDHHS is to inform the client what verification is required, how to obtain it, and the due date. BAM 130 (April 2017) p. 3. MDHHS uses the DHS-3503, Verification Checklist (VCL), to request verification. *Id.* MDHHS is to allow the client 10 calendar days (or other time limit specified in policy) to provide the verification that is requested. *Id.*, p. 7. Send a negative action notice when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed and the client has not made a reasonable effort to provide it. *Id.*

In the present case, MDHHS mailed Petitioner a VCL after discovering that Petitioner had bank accounts in his name that were not previously reported. The unreported accounts included two in the names of Petitioner and a minor child. Petitioner testimony acknowledged that he did not return verification of the accounts with his children's name.

Petitioner testified that the accounts in question actually belong to his children. Petitioner testified that his name is only on the bank account because his children would not otherwise be able to have a checking account. Petitioner's testimony implied that he should not have to report and/or verify bank accounts in the names of his children. MDHHS counts money held in jointly held bank accounts as an asset unless the asset is unavailable to an owner. BEM 400 (April 2018), p. 11; Petitioner did not claim that the money held in the accounts was unavailable to him.

Given the evidence, the accounts in Petitioner's and his children's names are a countable asset. Thus, Petitioner had an obligation to verify the assets. Petitioner's failure to verify the assets justified termination of Petitioner's MA eligibility and denial of a subsequent MA application.

### **DECISION AND ORDER**

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly terminated Petitioner's MA eligibility effective April 2018. It is further found that MDHHS properly denied Petitioner's application dated April 16, 2018. The actions taken by MDHHS are **AFFIRMED**.

CG/



**Christian Gardocki**

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) 763-0155; 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**

Latasha McKinney-Newell  
MDHHS-Wayne-19-Hearings

**Petitioner**

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