



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 7, 2018
MAHS Docket No.: 18-005197
Agency No.: ██████████
Petitioner: ██████████

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 30, 2018, from Detroit, Michigan. Petitioner appeared and was represented by her daughter, ██████████. ██████████, Petitioner's daughter, testified on behalf of Petitioner. The Michigan Department of Health and Human Services (MDHHS) was represented by Brad Reno, hearing facilitator.

ISSUES

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

The second issue is whether MDHHS properly denied Petitioner's application for MA benefits.

FINDINGS OF FACT

The administrative law judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. At all relevant times, Petitioner was over the age of 65 years.
2. Petitioner was an ongoing recipient of MA benefits based on her age.
3. On February 28, 2018, MDHHS initiated termination of Petitioner's MA eligibility, effective March 2018, due to excess assets.
4. As of March 1, 2018, Petitioner's savings account balance was \$ ██████████ and her checking account balance was \$ ██████████ (Exhibit A, pp. 10-11)

5. As of March 2018, Petitioner received ongoing Retirement, Survivors and Disability Insurance (RSDI) of \$[REDACTED]/month.
6. On March 1, 2018, Petitioner reapplied for MA benefits.
7. On April 25, 2018, MDHHS denied Petitioner's MA application due to Petitioner not meeting various MA categories, including not meeting age requirements. (Exhibit A, p. 6)
8. On May 22, 2018, Petitioner requested a hearing disputing MA eligibility.

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's hearing request noted that she is legally blind and that she has difficulty walking. During the hearing, Petitioner was asked if she required any special accommodation; Petitioner stated she required no special accommodation and the hearing was conducted accordingly.

Petitioner's hearing request checked a dispute of MA benefits. Petitioner testified that she specifically disputed a termination of MA benefits effective March 2018. Unrebutted MDHHS testimony indicated that Petitioner was mailed a Health Care Coverage Determination Notice dated February 28, 2018, which informed Petitioner of a termination of MA benefits effective March 2018 due to excess assets.

Petitioner stated that she was [REDACTED] years old in her hearing request. As Petitioner is over 65 years of age, Petitioner is potentially eligible for Supplemental Security Income (SSI)-Related MA categories (see BAM 105).

Assets must be considered in determining eligibility for SSI-related MA categories. BEM 400 (January 2018), p. 1. The asset limit for SSI-Related MA is \$2,000. *Id.*, p. 8. MDHHS treats income for the current month (e.g. RSDI) as income, not assets. *Id.*

MDHHS presented Petitioner's savings and checking account statement from March 2018 (Exhibit A, pp. 10-11). Petitioner's lowest March 2018 balance appeared to be \$[REDACTED] as of March 1, 2018. MDHHS actually calculated Petitioner's cash assets as \$[REDACTED] from savings and \$[REDACTED] from checking for total cash assets of \$[REDACTED]

For purposes of this decision, the more Petitioner-favorable and lower asset amount of \$ [REDACTED] will be accepted as proper.

In determining Petitioner's countable assets, MDHHS properly excluded Petitioner's RSDI income as a countable asset. Subtracting Petitioner's RSDI of \$ [REDACTED] which was directly deposited into Petitioner's account, results in a countable asset amount of \$ [REDACTED]. Petitioner's countable asset amount exceeds the SSI-related asset limit. Thus, MDHHS properly terminated Petitioner's MA eligibility.

A second MA dispute concerned Petitioner's reapplication for MA benefits. MDHHS presented the first page of a Health Care coverage Determination Notice dated April 25, 2018, which stated that Petitioner's MA application was denied because she did not meet any SSI-Related categories, including being 65 years or older.

Medicaid is also known as Medical Assistance (MA). The Medicaid program comprise several sub-programs or categories. To receive MA under a Supplemental Security Income (SSI)-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Medicaid eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild and Healthy Michigan Plan is based on Modified Adjusted Gross Income (MAGI) methodology. BEM 105 (April 2017), p. 1.

For all programs, upon certification of eligibility results, Bridges automatically notifies the client in writing of positive and negative actions by generating the appropriate notice of case action. A notice of case action must include the action taken and the reasons. BAM 220 (January 2018), p. 2.

It was not disputed that Petitioner's age exceeded 65. As a person over 65 years of age, Petitioner was potentially eligible to receive SSI-Related MA benefits. Thus, the stated reason on the notice issued by MDHHS was improper.

Given the stated reason for denial of Petitioner's application dated March 1, 2018, MDHHS improperly denied Petitioner's application. The proper remedy for the improper denial is reinstatement and reprocessing of Petitioner's 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 beginning March 2018 due to Petitioner's excess assets. The termination of Petitioner's MA eligibility is **AFFIRMED**.

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS improperly denied Petitioner's MA application dated March 1,

2018. It is ordered that MDHHS begin to perform the following actions within 10 days of the date of mailing of this decision:

- (1) Reinstate Petitioner's application dated March 1, 2018;
- (2) Initiate processing of Petitioner's application subject to the finding that Petitioner is potentially eligible for SSI-Related MA as an aged individual.

The actions taken by MDHHS are **REVERSED**.

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

Lindsay Miller
MDHHS-Genesee-UnionSt-Hearings

Authorized Hearing Rep.

[REDACTED]
[REDACTED]
[REDACTED] MI [REDACTED]

Petitioner

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[REDACTED]
[REDACTED] MI [REDACTED]

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