



RICK SNYDER
GOVERNOR

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

SHELLY EDGERTON
DIRECTOR

████████████████████
████████████████████
██████ MI ██████

Date Mailed: August 20, 2018
MAHS Docket No.: 18-006622
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 August 16, 2018, from Detroit, Michigan. Petitioner did not appear for the hearing. ██████████, Petitioner's brother and guardian, appeared as Petitioner's authorized hearing representative (AHR). The Michigan Department of Health and Human Services (MDHHS) was represented by Tiffany Tarrance, specialist.

ISSUE

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

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 June 25, 2018, Petitioner applied for long-term-care MA benefits.
2. As of June 2018, Petitioner possessed a life insurance policy with a cash surrender value exceeding \$████████ (Exhibit A, p. 5)
3. On June 27, 2018, MDHHS denied Petitioner's MA application due to excess assets. (Exhibit A, p. 4)
4. On July 2, 2018, Petitioner's AHR requested a hearing to dispute the denial of MA benefits. (Exhibit A, pp. 2-3)

5. In July 2018, MDHHS verified that Petitioner's life insurance assets were converted into a prepaid funeral contract (see Exhibit A, p. 7). As a result, MDHHS approved Petitioner's MA coverage beginning July 2018.

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 AHR requested a hearing to dispute a denial of MA benefits. Petitioner's AHR acknowledged that MDHHS processed Petitioner's MA coverage from July 2018 and that only Petitioner's June 2018 remains in dispute. MDHHS presented a Health Care Coverage Determination Notice (Exhibit A, p. 4) dated June 27, 2018, which stated that Petitioner's application was denied due to excess 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.

A life insurance policy is an asset if it can generate a cash surrender value. A policy is the policy owner's asset. (*Id.*, p. 44)

Petitioner owned a life insurance policy with a cash surrender value exceeding \$ [REDACTED]. Petitioner owned the life insurance policy for the entire month of June 2018. Thus, Petitioner appears ineligible for MA in June 2018 due to excess assets.

Petitioner's AHR contended that his sister should not be denied MA coverage for June 2018 because he was diligent and responsive throughout Petitioner's application process. For example, Petitioner's AHR testified that he immediately called Petitioner's life insurance company after being informed by MDHHS that his sister was ineligible for MA coverage. Through Petitioner's AHR's efforts, Petitioner's life insurance policy (a countable MA asset) was converted into a prepaid funeral contract (a non-countable asset) within a few days after MDHHS denied Petitioner's MA eligibility. Petitioner's AHR testified that he might have completed the conversion in June 2018 but had to wait for the mailing of documents from Petitioner's insurance company.

In determining asset eligibility, MDHHS policy considers a client's assets and whether the client has them in the benefit month. MDHHS policy does not consider factors such as the efforts of the AHR in trying to make a client eligible. The evidence established

that Petitioner had excess assets in the benefit month being disputed. Petitioner's AHR did not cite any policy violations by MDHHS in denying Petitioner's eligibility. Given the evidence, MDHHS properly denied Petitioner's MA eligibility for June 2018.

DECISION AND ORDER

The administrative law judge, based upon the above findings of fact and conclusions of law, finds that MDHHS properly denied Petitioner's application dated June 25, 2018, due to excess assets. 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

Christine Steen
MDHHS-Wayne-82-Hearings

Petitioner

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

Authorized Hearing Rep.

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

BSC4
D Smith
EQAD
C Gardocki
MAHS