



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

ORLENE HAWKS  
DIRECTOR

[REDACTED]  
MI [REDACTED]

Date Mailed: February 11, 2019  
MAHS Docket No.: 18-011459  
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. The hearing was adjourned on December 20, 2018. After due notice, a hearing was held on January 17, 2019, from Grand Rapids, Michigan. The hearing was consolidated with a hearing recorded under docket number 18-013093, because the issues of fact and law were identical. Petitioner represented herself. The Department was represented by Shirley Beamon and Kelly Hudson.

### **ISSUE**

Did the Department of Health and Human Services (Department) properly close Petitioner's Medical Assistance (MA) and Medicare Savings Plan (MSP) 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. On October 19, 2018, the Department notified Petitioner that she was no longer eligible for Medical Assistance (MA) benefits and Medicare Savings Plan (MSP) benefits as of November 1, 2018, for failing to return a Redetermination (DHS-1010) form in a timely manner. Exhibit A, pp 8-11.
2. On [REDACTED] [REDACTED] 2018, the Department received Petitioner's application for assistance. Exhibit A, p 7.
3. On October 31, 2018, the Department received a copy of a bank account statement bearing Petitioner's name and showing a balance of \$18,161.56 as of October 11, 2018. Exhibit A, pp 7 and 13.

4. On November 1, 2018, the Department notified Petitioner that she was not eligible for Medical Assistance (MA) benefits or Medicare Savings Plan (MSP) benefits effective November 1, 2018. Exhibit A, pp 20-22.
5. On October 19, 2018, the Department received Petitioner's request for a hearing.
6. On November 1, 2018, the Department received a second request for a hearing.

### **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.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (January 1, 2018), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (April 1, 2017), pp 1-10.

Reinstatement restores a closed program to active status without completion of a new application. Closed programs may be rein-stated for any of the following reasons:

- Closed in error.
- Closed-correct information not entered.
- Timely hearing request.

- Redetermination packet not logged in.
- Hearing decision ordered reinstatement.
- Complied with program requirements before negative action date.
- DHS-1046 manually sent and due date is after the last day of the 6th month.
- Court ordered reinstatement. Department of Health and Human Services Bridges Administrative Manual (BAM) 205 (January 1, 2018), p 1.

Petitioner was an ongoing MA recipient when the Department initiated a routine review of her eligibility for ongoing MA benefits by sending her a Redetermination (DHS-1010) form. When this form was not returned in a timely manner, the Department initiated closure of Petitioner's MA benefits.

On October 26, 2018, the Department received an application for assistance, which is an acceptable substitute for the Redetermination form. The Department initiated reinstatement of Petitioner's MA benefits, pending a determination that she continued to be eligible for benefits.

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 (January 1, 2018), pp 1-7.

On October 31, 2018, the Department received a copy of a bank account statement bearing Petitioner's name and showing a balance of \$18,161.56 as of October 11, 2018. For an adult that is eligible for Medicare, the countable asset limit for MA benefits is \$2,000, and the asset limit for MSP is \$7,560. BEM 400, p 8. Therefore, the Department notified Petitioner that she was not eligible for MA or MSP benefits.

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 closed Petitioner's Medical Assistance (MA) and Medicare Savings Program (MSP) benefits effective November 1, 2018.

**DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.

KS/dh

  
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**Kevin Scully**  
Administrative Law Judge  
for Robert Gordon, 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**

Kimberly Kornoelje  
121 Franklin SE  
Grand Rapids, MI 49507

Kent County, DHHS

BSC3 via electronic mail

EQAD via electronic mail

D. Smith via electronic mail

**Petitioner**

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