



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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

Date Mailed: April 19, 2019
MAHS Docket No.: 19-000807
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 March 21, 2019, from Lansing, Michigan. The Petitioner was represented by herself and her brother, [REDACTED]. The Department of Health and Human Services (Department) was represented by Annette Dent, Eligibility Specialist and Renee Colvin, Assistance Payments Supervisor.

ISSUE

Did the Department properly determine that Petitioner had excess assets for Medical Assistance (MA) Long Term Care (LTC)?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner received \$ [REDACTED] in Social Security benefits in October 2018 for September 2018 with a monthly premium of Medicare Part B of \$134 effective October 2018. Department Exhibit 1, pg. 13.
2. On [REDACTED] [REDACTED] 2018, Petitioner applied for MA LTC. Department Exhibit 1, pgs. 14-17.
3. On September 26, 2018, the Department Caseworker sent Petitioner a Verification Checklist, DHS-3503, that was due October 8, 2018, to provide the name of the

agency with the current life insurance owner, face value, cash surrender value as of September 2018 per BEM 400. Department Exhibit 1, pg. 9.

4. On October 8, 2018, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS-1606, that Petitioner was not eligible for MA LTC due to her total assets being over the allowable limit of \$2,000. Department Exhibit 1, pg. 24.
5. On October 15, 2018, Petitioner transferred the life insurance policy over to an irrevocable funeral contract with James H. Coles Funeral Homes.
6. On [REDACTED] [REDACTED] 2018, Petitioner reapplied for MA LTC with retro to September 2018 with written verification of the irrevocable funeral contract. Department Exhibit 1, pgs. 26-37.
7. On December 5, 2018, the Department Caseworker sent Petitioner a Health Care Coverage Determination Notice, DHS-1606, that Petitioner was eligible for MA LTC from October 1, 2018, ongoing with a \$871 monthly patient pay amount. Department Exhibit 1, pgs. 4-6.
8. On January 29, 2019, the Department received a hearing request from Petitioner, contesting the Department's negative action.

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.

In this case, Petitioner applied for MA LTC benefits on [REDACTED] [REDACTED] 2018. She was found to have excess assets by the Department based on a life insurance policy on October 8, 2018. The policy was converted to an irrevocable funeral contract on October 15, 2018. However, Petitioner had excess assets for the month of September 2018 because the cash surrender value of the life insurance policy was \$3,942.58, which was over the \$2,000 asset limit for MA LTC. As a result, the Department properly determined that Petitioner had excess assets for September 2018 for MA LTC, but eligible October 2018 ongoing. BEM 400.

DECISION AND ORDER

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 determined that Petitioner had excess assets for MA LTC, which made her not eligible for the month of September 2018. She is eligible from October 2018 ongoing with a patient pay amount of \$871.

Accordingly, the Department's decision is **AFFIRMED**.

CF/hb



Carmen G. Fahie
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

Christine Steen
3040 West Grand Blvd
Suite 4-250
Detroit, MI 48202

Wayne County (District 82), DHHS

BSC4 via electronic mail

D. Smith via electronic mail

EQADHShearings via electronic mail

Petitioner

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