



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR



Date Mailed: May 25, 2018  
MAHS Docket No.: 18-003657  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Ellen McLemore**

**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 May 25, 2018, from Detroit, Michigan. Petitioner was present and represented by his Authorized Hearing Representative, [REDACTED] (Exhibit 1). The Department of Health and Human Services (Department) was represented by Brenda Drewnicki, Hearing Facilitator.

**ISSUE**

Did the Department properly close Petitioner's Medical Assistance (MA) and Medicare Savings Program (MSP) benefit cases?

**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 was an ongoing MA and MSP recipient.
2. On [REDACTED], 2018, Petitioner completed a redetermination (Exhibit A).
3. Petitioner's assets included a savings account, checking account, an annuity and a life insurance policy with a cash surrender value (Exhibits B through D).
4. On March 28, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice informing Petitioner that his MA and MSP benefit cases were closing effective May 1, 2018, ongoing (Exhibit H).

5. On April 5, 2018, Petitioner submitted a request for hearing disputing the Department's actions.

### **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 completed a redetermination on [REDACTED] 2018. Petitioner was previously receiving MA benefits under the Group 2 Aged, Blind and Disabled (G2S) MA program and MSP benefits under the Additional Low Income Beneficiaries (ALMB) category. In the redetermination, Petitioner indicated his assets included a checking account, savings account, an annuity and a life insurance policy with a cash surrender value. On March 28, 2018, the Department sent Petitioner a Health Care Coverage Determination Notice informing Petitioner that his MA and MSP benefit cases were closing effective May 5, 2018, ongoing, because he exceeded the asset limit for both programs.

MSPs and G2S are both SSI-related MA categories. BEM 165 (January 2018), p. 1 and BEM 166 (April 2017), p. 1. For MSP and G2s benefits, countable assets cannot exceed the limit under BEM 400. BEM 165, p. 8. Countable assets are determined based on MA policies in BEM 400, 401 and 402. BEM 165, p. 8. For SSI-Related Medicaid the department will utilize an asset verification program to electronically detect unreported assets belonging to applicants and beneficiaries. BEM 400 (January 2018), p. 1. Asset detection may include the following sources at financial institutions: checking, savings, and investment accounts, IRAs, treasury notes, certificates of deposit (CDs), annuities and any other asset that may be held or managed by a financial institution. BEM 400, p. 1. All types of assets are considered for SSI-related MA categories. BEM 400, p. 3. Effective January 1, 2017, the asset limit for a group of one for MSP benefits is \$7,390. BEM 400, p. 8. For G2S the asset limit for a group of one is \$2,000. BEM 400, p. 8.

The Department presented Petitioner's original G2S and ALMB asset budgets (Exhibits E and F). According to the documentation, Petitioner's total assets were calculated to be \$12,176.41, which included Petitioner's checking and savings accounts, as well as his annuity. The Department determined that figure exceeded the asset limit for both

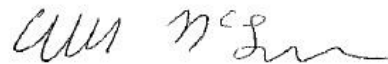
Petitioner's MA and MSP benefit cases. However, the Department testified the initial calculation of Petitioner's assets was incorrect. The Department presented a corrected asset budget for Petitioner (Exhibit G). The Department testified that the first budgets included the entire value of Petitioner's checking account without excluding his current income, which is required by policy. BEM 400, p. 22. The Department removed Petitioner's excluded Social Security and pension income and determined the actual value was \$826.96. Petitioner's savings account balance was \$1,000.91 and the value of his annuity was \$10,172.79. The Department also testified that the initial budgets did not include Petitioner's life insurance policy with a cash surrender value of \$2,083.71. The Department included the life insurance policy as an asset in the corrected budget, as required by policy. BEM 400, p. 44. The Department determined that Petitioner's corrected asset amount was \$14,084.37.

The Department correctly determined Petitioner exceeded the asset limit for MA and MSP benefits. Petitioner's annuity alone places him over the asset limit for MA and MSP benefits. Therefore, the Department acted in accordance with policy when it closed Petitioner's MA and MSP benefit cases.

### **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 closed Petitioner's MA and MSP benefit cases. Accordingly, the Department's decision is **AFFIRMED**.

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**Ellen McLemore**  
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

**Via Email:**

MDHHS-Macomb-12-Hearings  
D. Smith  
EQAD  
BSC4-Hearing Decisions  
MAHS

**Petitioner –  
Via First-Class Mail:**

A large black rectangular redaction box covering the name and contact information of the petitioner.

**Authorized Hearing Rep. –  
Via First-Class Mail:**

A large black rectangular redaction box covering the name and contact information of the authorized hearing representative.