



GRETCHEN WHITMER  
GOVERNOR

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

ORLENE HAWKS  
DIRECTOR

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[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: March 19, 2019  
MAHS Docket No.: 19-000585  
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 March 14, 2019, from Detroit, Michigan. Petitioner was represented by her Authorized Hearing Representative (AHR), Tracey Fryz. Department of Health and Human Services (Department) was represented by Eric Murphy, Eligibility Specialist, and Vooja Garg, observer only.

**ISSUE**

Did the Department properly deny Petitioner's application for Medical Assistance (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. On December 18, 2018, Petitioner's AHR submitted an application for MA benefits on Petitioner's behalf.
2. On January 1, 2019, the Asset Detection Service discovered several assets owned by Petitioner (Exhibit C). Petitioner had a checking account in her name with \$ [REDACTED] in funds and a joint checking account with \$ [REDACTED] in funds (Exhibits B and C).
3. On January 3, 2019, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing her that her MA application had been denied for excess assets (Exhibit E).

4. On January 22, 2019, Petitioner's AHR submitted a request for hearing disputing the Department's decision.

### **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's AHR submitted an application for MA benefits on December 18, 2018. The Department testified that based on Petitioner's circumstances, she only qualified for Supplemental Security Income (SSI)-related MA.

For SSI-related MA, 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. The asset limit for a group of one for SSI-related MA is \$2,000. BEM 400, p. 8.

As Petitioner was a widow and had not remarried, per policy, her fiscal group size for SSI-related MA is one. BEM 211 (January 2016), p. 8. Thus, Petitioner's assets cannot exceed \$2,000. The Department presented Petitioner's asset detection information. The document shows that during the time Petitioner's application was being processed, she had assets in two checking accounts in excess of \$20,000. As a result, the Department denied Petitioner's application for MA benefits in the HCCDN issued on January 3, 2019, for exceeding the asset limit.

Petitioner's AHR argued that the funds in the checking account that contained \$[REDACTED] did not belong to Petitioner. According to the asset detection information, the account was co-owned by Petitioner, Petitioner's AHR (Petitioner's daughter) and Petitioner's AHR's son. Petitioner confirmed that the account was a joint account.

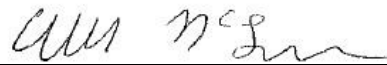
Petitioner stated that she placed the funds in the account and utilized the money to pay bills for her mother. She added her mother and son to the account for convenience. Petitioner presented a letter from the financial institution dated February 26, 2019, stating that the funds belong to Petitioner's AHR, not Petitioner (Exhibit 1).

For jointly held cash assets, the Department will count the entire amount unless the person claims and verifies different ownership. BEM 400, p. 12. Then, each owner's share is the amount they own. BEM 400, p. 12. At the time of the application, Petitioner and Petitioner's AHR jointly held the checking account. At the time of the application, both Petitioner and Petitioner's AHR had a legal right to use or dispose of the funds in the checking account. Therefore, the entire value of the checking account is an asset attributable to Petitioner. As such, the Department acted in accordance with policy when it denied Petitioner's application for MA benefits.

### **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 denied Petitioner's MA application. Accordingly, the Department's decision is **AFFIRMED**.

EM/jaf



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**Ellen McLemore**

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**

Jeanette Cowens  
MDHHS-Wayne-41-Hearings

**Petitioner**

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

**Authorized Hearing Rep.**

[REDACTED]  
[REDACTED] MI [REDACTED]

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