



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ORLENE HAWKS  
DIRECTOR

[REDACTED]

Date Mailed: May 17, 2019  
MOAHR Docket No.: 19-003256  
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 15, 2019, from Detroit, Michigan. Petitioner was represented by her Authorized Hearing Representative (AHR), Guardian & Associates. Present on behalf of Guardian & Associates was Jenice McGruder. The Department of Health and Human Services (Department) was represented by Nina Kossac, Eligibility Specialist.

### **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 [REDACTED], 2019, an application for MA benefits was submitted on behalf of Petitioner.
2. Petitioner had a life insurance policy with a Cash Surrender Value (CSV) of \$7,437.35 (Exhibit C).
3. On March 6, 2019, the Department sent Petitioner's AHR a Health Care Coverage Determination Notice stating Petitioner's MA application was denied for exceeding the asset limit (Exhibit D).

4. On March 28, 2019, Petitioner's AHR 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).

In this case, Petitioner's AHR submitted an application for MA benefits under the Extended Care (EC) category. Petitioner's AHR submitted verification of Petitioner's life insurance policy that had a CSV of \$7,437.25.

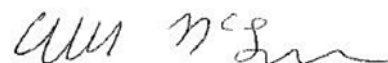
EC is an SSI-related Group 1 MA category. BEM 164 (April 2017), p. 1. Under the EC program, countable assets cannot exceed the asset limit under BEM 400. BEM 164, p. 2. For SSI-related MA programs, the department considers life insurance policies as an asset if it can generate a CSV. BEM 400 (January 2018), p. 44. The CSV is the amount of money the policy owner can get by canceling the policy before it matures or before the insured dies. BEM 400, p. 44. A policy's asset value is its CSV. BEM 400, p. 44. For SSI-related MA categories, the asset limit for a group of one is \$2,000. BEM 400, p. 8.

Petitioner was not married. Per policy, Petitioner's fiscal group size for SSI-related MA benefits is one. BEM 211 (January 2016), p. 8. Therefore, Petitioner's assets cannot exceed the limit of \$2,000. The Department presented sufficient evidence to establish that Petitioner's life insurance policy alone exceeds the asset limit for her group size. Thus, the Department acted in accordance with policy when it denied Petitioner's MA application.

### **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 application for MA benefits. Accordingly, the Department's decision is **AFFIRMED**.

EM/cg



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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 Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR 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. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR 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-Oakland-3-Hearings  
D. Smith  
EQAD  
BSC4- Hearing Decisions  
MOAHR

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

[REDACTED]

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

[REDACTED]