



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: January 10, 2020
MOAHR Docket No.: 19-012466
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 January 6, 2019, from Detroit, Michigan. Petitioner was represented by his Authorized Hearing Representative (AHR), [REDACTED]. The Department of Health and Human Services (Department) was represented by Shaumanique Bright, 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 (Exhibit A, pp. 4-18).
2. On October 22, 2019, Petitioner's AHR submitted verification of Petitioner's checking account (Exhibit A, pp. 19-20).
3. On November 1, 2019, the Department sent Petitioner a Health Care Coverage Determination Notice informing him that his application for MA benefits was denied (Exhibit A, pp. 21-22).

4. On November 14, 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).

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, an application for MA benefits was submitted on behalf of Petitioner on [REDACTED], 2019. On October 22, 2019, Petitioner's AHR submitted verification of Petitioner's checking account showing he had a balance of \$4,354.51. The Department testified that Petitioner's MA application was denied for excess assets.

As Petitioner is a Medicare recipient and is not the caretaker of any minor children, he is only eligible for the SSI-related MA programs. For SSI-related MA programs, countable assets cannot exceed the limit under BEM 400. BEM 165 (January 2018), p. 8. Countable assets are determined based on MA policies in BEM 400, 401 and 402. BEM 165, p. 8. The Department considers cash, investments, retirement plans, and trusts. BEM 400, p. 1. Cash assets includes funds in a checking account. BEM 400, p. 15. For cash assets, the Department does not count funds treated as income by a program as an asset for the same month for the same program. BEM 400, p. 22. As Petitioner was not married, his SSI-related MA group is one. BEM 211 (January 2016), p. 8. The asset limit for a group of one for SSI-related MA is \$2,000. BEM 400, p. 8.

The Department testified that Petitioner had unearned income in the form of Retirement, Survivors and Disability Insurance (RSDI) in the gross monthly amount of \$[REDACTED]. After excluding Petitioner's income, his total asset amount is \$3,313.51, which exceeds the asset limit for his group size.

At the hearing, Petitioner's AHR testified that the funds in Petitioner's account are from a lump sum payment from Petitioner's retroactive RSDI benefit award. Petitioner's AHR testified that Petitioner received the award in October 2017.

An accumulated benefit is a one-time payment of accumulated non-Department benefits issued to cover a retroactive period of time or to cover a future period of time. BPG (July 2018), p. 1. Examples include RSDI, Veterans Benefits, UI benefits, and Workers

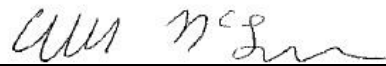
Compensation. BPG, p. 1. For certain benefit programs, such as the Family Independence Program (FIP), State Disability Insurance (SDA) and FAP, accumulated benefits are assets starting the month they are received. BEM 400, p. 16. For the G2C and SSI-related MA programs, policy states that only income tax refunds, nonrecurring proceeds from the sale of assets, payments that are excluded assets, and Medical Loss Ration Rebates are considered assets. BEM 400, p. 17. However, for retroactive RSDI, the benefit is only excluded for nine calendar months are the payment is received. BEM 400, p. 23. The exclusion only applies to any unspent portion of the retroactive RSDI payment. BEM 400, p. 24.

Per policy, Petitioner's entire accumulated benefit amount is a countable asset. Petitioner's assets exceed the limit for his group size. Therefore, 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/cg



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.

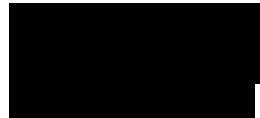
If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-8139

Via Email:

MDHHS-Wayne-57-Hearings
D. Smith
EQAD
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**Petitioner –
Via First-Class Mail:**



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

