



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

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██████████, MI ██████████

Date Mailed: June 21, 2022
MOAHR Docket No.: 22-001823
Agency No.: ██████████
Petitioner: ██████████ ██████████

ADMINISTRATIVE LAW JUDGE: Kevin Scully

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; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, telephone hearing was held on June 14, 2022, from Lansing, Michigan. Petitioner was represented by ██████████ ██████████ and ██████████ ██████████. The Department was represented by Greg Walker.

ISSUE

Did the Department of Health and Human Services (Department) properly deny Petitioner's application for Medical Assistance (MA)?

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 ██████████ ██████████ the Department received Petitioner's application for Medical Assistance (MA). Exhibit A, p 18.
2. Petitioner reported that her date of birth is ██████████ ██████████ Exhibit A, p 7.
3. Petitioner reported having life insurance on her ██████████ ██████████ application form. Exhibit A, p 19.
4. On October 5, 2021, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by October 15, 2021. Exhibit A, p 45.
5. On October 14, 2021, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by October 25, 2021. Exhibit A, p 47.

6. On October 26, 2021, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by November 5, 2021. Exhibit A, p 49.
7. On November 8, 2021, the Department notified Petitioner that she is not eligible for Medical Assistance (MA). Exhibit A, p 39.
8. On [REDACTED] [REDACTED] the Department received Petitioner's application for Medical Assistance (MA). Exhibit A, p 15.
9. Petitioner reported having life insurance on her [REDACTED] [REDACTED] application form. Exhibit A, p 16.
10. On December 20, 2021, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by January 3, 2022. Exhibit A, p 51.
11. On January 3, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by January 13, 2022. Exhibit A, p 53.
12. On January 6, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her pension by January 18, 2022. Exhibit A, p 55.
13. On January 13, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by January 24, 2022. Exhibit A, p 57.
14. On January 26, 2022, the Department notified Petitioner that she is not eligible for Medical Assistance (MA). Exhibit A, p 42.
15. On [REDACTED] [REDACTED] the Department received Petitioner's application for Medical Assistance (MA). Exhibit A, p 7.
16. On February 2, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by February 14, 2022. Exhibit A, p 26.
17. On February 15, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by February 25, 2022. Exhibit A, p 28.
18. On February 28, 2022, the Department sent Petitioner a Verification Checklist (DHS-3503) requesting verification of her life insurance by March 10, 2022. Exhibit A, p 30.

19. On March 10, 2022, the Department received a copy of a bank statement showing that Petitioner is paying premiums to three life insurance companies. Exhibit A, p 36.
20. On March 14, 2022, the Department notified Petitioner that she is not eligible for Medical Assistance (MA). Exhibit A, p 22.
21. Petitioner reported having life insurance on her [REDACTED] [REDACTED] application form. Exhibit A, p 9.
22. On April 1, 2022, the Department received Petitioner's request for a hearing protesting the denial of her application for Medical Assistance (MA). Exhibit A, pp 5-6.

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 through 42 USC 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 through 42 CFR 420.25. The Department administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.103 through MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (October 1, 2021), p 9.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (July 1, 2021), pp 1-10.

The client must obtain required verification, but the local office must assist if they need and request help. If neither the client nor the local office can obtain verification despite a reasonable effort, use the best available information. If no evidence is available, use your best judgment. BAM 130, p 3.

Petitioner applied for MA benefits, and she reported to the Department that she possesses life insurance. The hearing record supports a finding that Petitioner is making payments towards the maintenance of her life insurance policies.

As a person over the age of 64, Petitioner is not eligible for MA benefits in a category of benefits with no asset limit, and a life insurance policy is a potential asset. See BEM 400. The Department is required to obtain verification of all countable assets.

The Department made numerous requests for verification of Petitioner's life insurance policies and provided Petitioner with numerous extensions to provide them. Petitioner failed to provide timely verification of these life insurance policies. Petitioner's representative testified that Petitioner was unable to obtain the information requested by the Department because her insurance company would not release that information. Petitioner's representative testified that she requested assistance from the Department to obtain the verification as directed by BAM 130.


Petitioner has the burden of establishing that she is entitled to benefits and it is her duty to provide the Department with verification of her circumstances to make an accurate determination of her eligibility for benefits. The hearing record supports a finding that Petitioner has active life insurance policies that she continues to make payments towards. Under these circumstances, the Department has no basis for estimating the value of Petitioner's life insurance policies, or whether the value of those assets exceed the \$2,000 limit for SSI-related MA categories. Therefore, there is no basis for the Department to apply its best judgment as to the value of Petitioner's life insurance.

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 [REDACTED] [REDACTED] [REDACTED] and [REDACTED] [REDACTED] applications for Medical Assistance (MA) for failure to provide the Department with information necessary to determine her eligibility to receive benefits.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.

KS/nr



Kevin Scully
Administrative Law Judge
Michigan Office of Administrative Hearings
and Rules (MOAHR)

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-Electronic Mail :

DHHS

Barbara Schram - 4
Alpena County DHHS
711 West Chisholm St.
Alpena, MI 49707

Interested Parties

Alpena County DHHS
BSC1
D. Smith
EQAD

Via First Class Mail:

Counsel for Petitioner

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██████████, MI ██████████

Petitioner

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