



GRETCHEN WHITMER
GOVERNOR

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

ORLENE HAWKS
DIRECTOR

██████████
████████████████████
██████████ MI ██████████

Date Mailed: April 19, 2023
MOAHR Docket No.: 23-001240
Agency No.: ██████████
Petitioner: ██████████

ADMINISTRATIVE LAW JUDGE: Linda Jordan

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 hearing was held on April 5, 2023 via teleconference. Petitioner appeared and represented herself. Joanna Rivera, Assistance Payments Supervisor, appeared on behalf of the Michigan Department of Health and Human Services (MDHHS or Department).

ISSUE

Did MDHHS properly deny Petitioner's application for Medicaid (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 ██████████, 2022, Petitioner applied for MA benefits (Exhibit A, p. 1).
2. On December 13, 2022, Petitioner submitted a bank statement for ██████████ which showed that she had \$1,607.87 in checking and \$3,779.07 in savings (Exhibit A, pp. 1, 5-6).
3. On March 2, 2023, Petitioner requested a hearing regarding her MA application (Exhibit A, p. 3).
4. On or about March 13, 2023, MDHHS denied Petitioner's application for MA due to excess assets (Exhibit A, p. 1).

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 Medicaid (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. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k. MA is also known as Medical Assistance. BEM 105 (January 2021), p. 1.

In this case, MDHHS denied Petitioner's application for MA due to excess assets.

The MA program is comprised of several sub-programs or categories. BEM 105, p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* MA eligibility for children under 19, parents or caretakers of children, pregnant or recently pregnant women, former foster children, MOMS, MICHild, Flint Water Group and Health Michigan Plan (HMP) is based on Modified Adjusted Gross Income (MAGI) methodology. *Id.*

Asset limits for MA depend on the MA category and the household size. *See generally*, BEM 400 (October 2022). Asset eligibility is required for SSI-related MA. BEM 400, p. 6. Asset eligibility exists when the asset group's countable assets are less than, or equal to, the applicable asset limit at least one day during the month being tested. *Id.*, p. 7. At application, MDHHS does not approve MA for future months if the person has excess assets on the processing date. *Id.* The asset limit for SSI-related MA is \$2,000.00 for a group of one and \$3,000 for a group of two. *Id.*, p. 9. Assets include cash, personal property and real property. *Id.*, pp. 1-2. The value of cash assets is reduced by applicable exclusions. *Id.*, pp. 16-26. Relevant to this case, the current income exclusion requires that MDHHS exclude funds treated as income by a program as an asset for the same month. *Id.*, p. 24. Additionally, MDHHS is required to exclude tax refunds and credits for nine months after the month of receipt. *Id.*, p. 23.

MDHHS requests verification of a client's written or verbal statements when required by policy or information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. BAM 130 (January 2022), p. 1. The questionable information might be from a client or third party. *Id.* Verification is usually required at application or redetermination. *Id.* To request verification, MDHHS must send the client a Verification Checklist (VCL), which tells the client what verification is required, how to obtain it and the due date. *Id.*, p. 3. For MA, MDHHS must allow the client ten calendar days to provide the verification requested. *Id.*, p. 8.

Here, it is undisputed that Petitioner was a recipient of Medicare, and therefore, she was only potentially eligible for MA under an SSI-related category. There was no evidence that Petitioner was married. The asset limit for SSI-related MA is \$2,000.00 for a household of one. BEM 400, p. 9. MDHHS determined that Petitioner was over the asset limit for MA based on a bank statement for [REDACTED] which showed that she had \$1,607.87 in checking and \$3,779.07 in savings (Exhibit A, pp. 1, 5-6). Based on these figures, MDHHS determined that the amount of Petitioner's assets was \$5,386.94. However, MDHHS did not explain why the entire amount in the accounts was treated as Petitioner's assets. No evidence was presented that MDHHS attempted to ascertain whether certain amounts in the [REDACTED] account were excluded from the asset calculation under policy. MDHHS acknowledged that it did not seek additional information from Petitioner on this matter.

Petitioner testified that her bank account was abnormally high due to a tax refund that she received. Depending on when Petitioner received the refund, this amount would likely be excluded under policy. BEM 400, p. 23. MDHHS should have contacted Petitioner to request more information regarding the funds in the [REDACTED] account before denying her application.

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 MDHHS did not act in accordance with Department policy when it denied Petitioner's MA application.

DECISION AND ORDER

Accordingly, MDHHS' decision is **REVERSED**.

MDHHS IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Reregister Petitioner's [REDACTED] 2022 MA application;
2. Redetermine Petitioner's eligibility for MA benefits from December 1, 2022 ongoing, requesting additional verifications if necessary;
3. If Petitioner is eligible for MA, provide her with coverage for each eligible month from the date of application; and

4. Notify Petitioner of its decision in writing.



LJ/tm

Linda Jordan
Administrative Law Judge

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

