



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED]
[REDACTED]
MI [REDACTED]

Date Mailed: August 14, 2024
MOAHR Docket No.: 24-005679
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: L. Alisyn Crawford

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 July 3, 2024. Petitioner was present at the hearing and represented himself. The Department of Health and Human Services (Department) was represented by Dania Ajami, Lead Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's Medical Assistance (MA) eligibility?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing recipient of MA coverage under a Group 2 SSI-related (G2S) program with a monthly deductible.
2. Petitioner is unmarried and receives unearned monthly income from the Social Security Administration for Retirement, Survivor's and Disability Insurance (RSDI) in the amount of [REDACTED]
3. Because Petitioner received lottery winnings on January 1, 2024, the Department denied Petitioner MA coverage in January 2024 due to excess assets.
4. On [REDACTED] 2024, Petitioner submitted an assistance application for MA coverage. In his application, Petitioner also reported that he used his lottery winnings received in January 2024 to pay his property taxes. On January 26, 2024, Petitioner had

██████ in lottery winnings. (Exhibit B, p. 1). Based on his lottery winnings, Petitioner failed an asset test for the January 2024 benefit month. (Exhibit B, pp. 2-3).

5. On April 11, 2024, the Department sent a Health Care Coverage Determination Notice (HCCDN) to Petitioner informing him that he was approved for MA under the Group 2 Aged, Blind and Disabled (G2S) with his monthly deductible being met for February 1, 2024 through March 31, 2024, and May 1, 2024 ongoing. The HCCDN further stated that for the month of May 1, 2024, Petitioner was eligible for MA coverage with a monthly deductible of \$1,774. (Exhibit A, pp. 26-28).
6. On May 9, 2024, the Department received a request for hearing from Petitioner disputing the Department's actions with respect to Petitioner's MA coverage for January 2024. (Exhibit A, pp. 3-6).

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 1396-1396w-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.

Upon knowledge of Petitioner's lottery winnings, the Department concluded that Petitioner was not eligible for MA coverage for January 2024 due to excess assets. Petitioner disputes the Department's action.

MA programs have both income and assets eligibility limits. BEM 503 (April 2024), pp. 1, 30; BEM 400 (June 2024), p. 1. The Department is required to consider a client's assets when determining eligibility for MA. Countable assets cannot exceed the applicable asset limit. Assets include cash, personal property and real property. BEM 400, p. 2. All types of assets are considered for SSI-related MA categories. BEM 400, p. 3. Not all assets are considered countable. BEM 400, p. 2. An asset is countable if it meets the availability test and is not excluded. BEM 400, p. 2. The Department is required to assume that the asset is available unless evidence shows that it is not available. BEM 400, p. 2. An asset is available if someone in the group has the legal right to use or dispose of the asset. BEM 400, p. 10.

Lump sum refers to a one-time payment received by an individual. A lump sum could include an inheritance, a legal settlement, retroactive Social Security payments, and lottery winnings. When a person receives a lump sum, it could temporarily increase their income and assets. A lump sum is considered as income in the month it is received. If the lump sum pushes the client's income or assets above eligibility limits for that month, it may make the client ineligible for MA coverage for that month. After the month in which it is received, the remaining lump sum may be considered an asset.

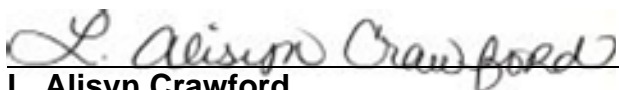
Petitioner reported he received a lump sum of lottery winnings in the amount of [REDACTED] in January 2024. (Exhibit B, pp. 1-3). For SSI-related MA purposes, lump sums and accumulated benefits are *income* in the month received. BEM 400 (June 2024), p. 18. Lump sums are defined as a one-time payment that is not an accumulation of monthly benefits. BPG Glossary (February 2024), p. 42. In this case, Petitioner's lottery winnings are lump sums and therefore income for SSI-related MA purposes. Income may be countable or excluded. BEM 500 (April 2022), p. 7. The Department counts all income that is not specifically excluded. BEM 500, p. 3. There was no evidence presented that the lottery winnings Petitioner received met any policy standards to be excluded. BEM 503 (April 2024). Therefore, Petitioner's lottery winnings are countable income. If the lump sum pushes the client's income or assets above eligibility limits for that month, it may make the client ineligible for MA coverage for that month. After the month in which it is received, the remaining lump sum may be considered an asset. Petitioner testified that he was able to dispose of his lottery winnings to cover expenses related to his medical needs and housing repairs. The Department properly treated Petitioner's lottery winnings as countable income in the month received and then as assets when the winnings were not disposed of during the January 2024 benefit period. Petitioner was found eligible for MA coverage for February 2024 ongoing under the G2S program.

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 closed Petitioner's MA coverage for January 2024 due to excess income due to lottery winnings.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

LC/ml


L. Alisyn Crawford
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

Via Electronic Mail:

DHHS

Caryn Jackson

Wayne-Hamtramck-DHHS

12140 Joseph Campau

Hamtramck, MI 48212

MDHHS-Wayne-55-Hearings@michigan.gov

Interested Parties

BSC4

M Schaefer

EQAD

MOAHR

Via First Class Mail:

Petitioner

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