



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



Date Mailed: August 27, 2024
MOAHR Docket No.: 24-006822
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun

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 August 7, 2024, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Jamila Goods, Eligibility Specialist.

ISSUE

Did the Department properly determine that Petitioner was ineligible for Medical Assistance (MA) benefits due to excess assets?

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 benefits under an SSI-Related category.
2. In connection with a redetermination, Petitioner's continued MA eligibility was reviewed. Petitioner timely submitted a redetermination to the Department on or around January 8, 2024.
3. With the redetermination, Petitioner submitted verification of his assets, specifically, a [REDACTED] checking account statement for account number ending in 5196, a [REDACTED] savings account statement for account number ending in 1232, a Verification of Assets form for a [REDACTED] checking account number ending in 4512, and a Verification of Assets form for a [REDACTED] checking account number ending in 1413. (Exhibit A, pp. 14-18)

4. On or around March 21, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising him that effective May 1, 2024, he was ineligible for MA benefits because the value of his countable assets is higher than allowed for the program. (Exhibit A, pp.19 – 22)
5. On or around June 10, 2024, Petitioner requested a hearing disputing the closure of his MA case.

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, Petitioner disputed the closure of his MA case effective May 1, 2024, and the Department's finding that the amount of his countable assets exceeded the limit for eligibility.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise would not have the financial resources to purchase them and who meet the financial and nonfinancial eligibility factors. Medicaid, also known as the Medical Assistance (MA) program, is comprised of several sub-programs or categories. BEM 100 (April 2023), pp. 1-2; BEM 105 (January 2024), p.1. The United States Department of Health and Human Services (HHS) develops and issues federal regulations that set the requirements and guidelines for states to follow in the determination of MA eligibility. BEM 100, pp.1-2.

MA is available under SSI-related categories to individuals who are aged (65 or older), entitled to Medicare, blind or disabled. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1. Asset eligibility is required for MA coverage under SSI-related MA categories. BEM 400 (April 2024), p. 1-8; BEM 105, p. 1. The Department will consider the value of cash assets in determining a client's asset eligibility for MA. Cash assets include money/currency, uncashed checks, drafts, and warrants, as well as, money in checking, savings, money market, and/or certificate of deposit (CD or time deposit) accounts. BEM 400, pp. 14-18. An asset must be available to be countable. Available means that someone in the asset group has the legal right to use or dispose of the asset.

The Department is to assume that an asset is available unless evidence shows it is not available. BEM 400, p. 10. Asset eligibility will exist 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. BEM 400, p. 6. The asset limit for Petitioner's MA asset group size of two (Petitioner and his spouse) is \$3,000. BEM 400, pp. 7-8; BEM 211 (October 2023), pp. 1-9.

At the hearing, the Department representative testified that after receiving verification of Petitioner's assets in connection with the redetermination for his MA case, it determined that the value of his countable assets exceeded the limit for MA eligibility. The Department presented an MA Asset Budget for review showing the exact breakdown of assets considered. The Department testified that in making its determination that Petitioner had excess assets, the Department relied on the information obtained from the bank statements and verification of asset forms submitted by Petitioner. Although the MA Asset Budget indicates that liquid assets of \$4153.49 were considered, the Department identified each of the balances it relied upon, specifically an ending balance of \$381.98 for the [REDACTED] Bank account number ending in 5196, the current balance of \$2,522.82 in the [REDACTED] Bank account number ending in 1232, the current balance of \$2,451.01 in the [REDACTED] bank account number ending in 4512, and the ending balance of \$75.54 in the [REDACTED] bank account number ending in 1413, which total greater than the \$4,153.49 reflected on the MA Asset Budget. Upon review and based on the Department representative's testimony during the hearing, the Department considered either the current or ending balances on each of the accounts rather than the lowest balance in each account as required by Department policy. The evidence showed that for at least two accounts, the lowest balance for the month tested was much lower than the amount considered by the Department, and this could potentially impact Petitioner's eligibility for MA. Therefore, the Department failed to establish that Petitioner's countable assets were higher than allowed for MA eligibility.

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 did not act in accordance with Department policy when it closed Petitioner's MA case effective May 1, 2024.


DECISION AND ORDER

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

THE DEPARTMENT 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. Reinstate Petitioner's MA case effective May 1, 2024, and redetermine his MA eligibility under the most beneficial category for May 1, 2024, ongoing;
2. If eligible, provide Petitioner with MA coverage under the most beneficial category, that he was entitled to receive but did not from May 1, 2024, ongoing; and
3. Notify Petitioner in writing of its decision.

ZB/ml


Zainab A. Baydoun
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

Susan Noel
Wayne-Inkster-DHHS
26355 Michigan Ave
Inkster, MI 48141
MDHHS-Wayne-19-Hearings@michigan.gov

Interested Parties

BSC4
M Schaefer
EQAD
MOAHR

Via First Class Mail:

Petitioner

[REDACTED]
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