



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

[REDACTED], MI [REDACTED]

Date Mailed: September 27, 2024
MOAHR Docket No.: 24-008345
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Caralyce M. Lassner

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 by telephone on August 29, 2024. Petitioner appeared and represented herself. The Department of Health and Human Services (Department) was represented by Princess Ogundipe, Assistance Payments Worker.

ISSUE

Did the Department properly determine Petitioner's eligibility for the Medicare Savings Program (MSP)?

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 February 28, 2024, the Department received a completed Food Assistance Program (FAP) redetermination from Petitioner. (Exhibit A, p. 1).
2. Petitioner receives \$859 per month in Retirement, Survivors, and Disability Insurance (RSDI) income and is employed part time at Target (Employer). (Exhibit A, pp. 1, 18 – 19, 23, 44).
3. On March 12, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) advising Petitioner that effective April 1, 2024, she was switched from MSP – Qualified Medicare Beneficiaries (QMB) to MSP –

Specified-Low Income Medicare Beneficiaries (SLMB), among other things. (Exhibit A, p. 25, Entry 62; pp. 32 – 34).

4. On May 31, 2024, the Department sent Petitioner a Verification Checklist (VCL) and requested Petitioner provide verification of her checking account to the Department by June 10, 2024, for the purpose of determining her ongoing eligibility for MA and MSP. (Exhibit A, pp. 30 – 31).
5. On June 14, 2024, the Department sent Petitioner a HCCDN that denied Petitioner for MSP effective July 1, 2024 for not meeting basic criteria. (Exhibit A, p. 14).
6. On July 16, 2024, the Department sent Petitioner a revised HCCDN that denied Petitioner for MSP effective July 1, 2024 for failure to provide requested verifications and not meeting basic criteria. (Exhibit A, p. 38).
7. On July 18, 2024, the Department received a request for hearing from Petitioner, disputing the denial of MSP. (Exhibit A, pp. 4 – 6).
8. As of August 29, 2024, Petitioner had not provided verification of her checking account to the Department.

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.

Petitioner requested a hearing to dispute the closure of MSP. The Department closed Petitioner's MSP effective July 1, 2024 for failure to provide requested verifications and not meeting basic criteria.

MSP is an SSI-related MA program and the value of countable assets must be considered to determine eligibility at application, redetermination, and when a change is reported; additionally, when a redetermination is completed in another program, eligibility for MSP may also be redetermined. BEM 165 (June 2024), p. 1; BEM 400 (April 2024), pp. 1, 61, 65; BAM 210 (July 210), p. 1. For purposes of MSP, countable assets include cash and funds in bank accounts, and the value of those assets cannot

exceed the applicable asset limit, which is \$9,430 for single individuals such as Petitioner. BEM 400, p. 8. To obtain the value of countable assets, the Department must send the client a VCL identifying what verification is required, how to obtain it, and the due date. BAM 130 (May 2024), p. 3. A checking or draft account may be verified by phone contact with the financial institution, a written statement from the financial institution, or a monthly statement of the account. BEM 400, pp. 63 – 64.

In this case, during a redetermination for Petitioner's FAP, the Department sent Petitioner a VCL on May 31, 2024 requesting verification of Petitioner's checking account by June 10, 2024 for purposes of determining her ongoing eligibility for MA and MSP. (Exhibit A, pp. 28 – 129, 30 – 31); BAM 210 (July 2024), p. 1. Additional VCLs were subsequently sent requesting the same verifications. The evidence established that Petitioner was aware of the Department's need for verification of her checking account. (Exhibit A, pp. 9, Entry 67). The Department testified, and the Petitioner confirmed, that she did not provide the requested verification to the Department at any time prior to hearing. Because the Department was required to verify the value of Petitioner's countable assets and Petitioner failed to return the requested verification, the Department properly closed Petitioner's MSP effective July 1, 2024.

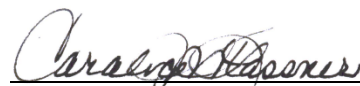
The Department testified that Petitioner also had income in excess of the limits for MSP and that it considered Petitioner's February 2024 income to make that determination. However, the Department failed to establish that Petitioner's income from February 2024 was her current income as of June 14, 2024, the date it issued the HCCDN that closed Petitioner's MSP effective July 1, 2024. Therefore, though the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it determined Petitioner's had excess income for MSP, that finding does not nullify Petitioner's failure to provide requested verifications.

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 MSP for failure to provide verification of assets.

DECISION AND ORDER

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

CML/nr



Caralyce M. Lassner
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
Jared Ritch
Oakland County Pontiac-Woodward Dist.
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MDHHS-Oakland-District-IV-Hearings@michigan.gov

Interested Parties

BSC4
M. Schaefer
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Via-First Class Mail :

Petitioner
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