



GRETCHEN WHITMER
GOVERNOR

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

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DIRECTOR

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Date Mailed: February 25, 2025
MOAHR Docket No.: 24-009953
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 January 27, 2025, from Detroit, Michigan. Petitioner appeared for the hearing and represented herself. The Department of Health and Human Services (Department) was represented by Lori Turner, Eligibility Specialist.

ISSUE

Did the Department properly determine Petitioner's eligibility for Medical Assistance (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. Petitioner was previously receiving MA benefits under the Healthy Michigan Plan (HMP) category.
2. On an unverified date, Petitioner began receiving Medicare and the Department determined that she was no longer eligible for MA under the HMP.
3. The Department initiated a review of Petitioner's MA eligibility.
4. On or around March 13, 2024, the Department sent Petitioner a Verification Checklist (VCL) instructing Petitioner to submit proof of her assets to the Department.

5. On or around April 2, 2024, Petitioner submitted proof of assets to the Department. Petitioner submitted vehicle registration for a 2009 Ford pickup truck, a 2017 Harley Davidson motorcycle, and a 2017 Suzuki motorcycle. (Exhibit A, pp. 16-18)
6. On or around April 4, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (Notice) advising her that effective May 1, 2024, Petitioner was approved for limited coverage MA under the Plan First category and that her request for MSP benefits was denied because the value of her countable assets was higher than allowed. (Exhibit A, pp. 29-32)
7. On or around August 23, 2024, the Department sent Petitioner a Notice again advising that she was ineligible for MSP benefits due to excess assets.
8. The Department asserted that Petitioner was ineligible for SSI-related MA benefits because the value of her assets exceeded the limit. Petitioner was approved for limited coverage MA benefits under the Plan First category that does not have an asset test.
9. On or around August 22, 2024, Petitioner disputed the Department's actions with respect to her MA eligibility.

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 Department's determination that she was ineligible for full coverage MA benefits and MSP benefits due to excess assets.

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. MSP are SSI-related MA categories. 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 and MSP benefits. 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.

Personal property such as vehicles are considered assets. BEM 400, pp. 1-2. For SSI-related MA, the value of a vehicle is its equity value. Equity value is the fair market value minus the amount legally owed in a written lien provision. Liens must be recorded with the Secretary of State or other appropriate agency. BEM 400, pp. 40-41. The Department is to exclude one motorized vehicle owned by the asset group, which is usually the one with the highest equity value. BEM 400, p. 41. Acceptable verification of vehicle assets include title, registration, proof of insurance, loan statement or payment book, Secretary of State inquiry. To determine the value of the vehicle, the Department is to use Kelley Blue Book fair condition option or the NADA Book at wholesale value. When comparing the value between two sources, the Department is to use the lowest value. The Department is to allow the client to verify their claim that the vehicle is worth less than the wholesale book value. BEM 400, pp. 66-67.

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 one \$2,000. MSP eligibility, countable assets cannot exceed the asset limit outlined in BEM 400 and countable assets are determined based on MA policies in BEM 400, 401, and 402. BEM 165, p. 8. For MSP cases, effective January 1, 2024, the asset limit for Petitioner's asset group size of one is \$9,430. BEM 400, pp. 7-8; BEM 211, pp. 1-9.

The Department properly concluded that because Petitioner was enrolled in Medicare, she was no longer eligible for MA under the HMP and because there was no evidence that Petitioner was the parent or caretaker of any minor children, the Department properly determined that she was potentially eligible for MA under an SSI-related category. BEM 105. The Department representative testified that because asset eligibility is required for MA under SSI-related categories, it requested that Petitioner submit proof of her cash assets and vehicle assets. The Department contended that Petitioner was ineligible for MA and MSP benefits because the value of her countable assets from her vehicles and bank accounts exceeded the limit for eligibility. The Department presented an MA Asset Budget for review showing the breakdown of assets considered. According to the budget,

Petitioner's assets totaled \$9,254.59 and consisted of \$5,340 attributable to the value of her vehicles and \$3,914.59 in liquid cash assets. (Exhibit A, p.25).

Specifically, the Department testified that it determined that the fair market value and equity value of Petitioner's 2009 Ford truck was \$2,950, the 2017 Harley Davidson motorcycle was \$14,520, and the 2017 Suzuki was \$2,390. (Exhibit A, p. 19). The Department testified that the highest value of the Harley Davidson was excluded, and the Department only considered the value of the two remaining vehicles, which is \$5,340. The Department could not explain how these values were determined and whether the Kelley Blue Book or the NADA Book were relied upon. The Department also testified that Petitioner had liquid assets from bank accounts with cash values of \$1,931.10 for her Chase account and \$1,984.49 for her Security bank account. (Exhibit A, p. 23). The Department did not present any bank statements for review and thus, it was unknown whether the balances considered were the lowest balances in the month being tested. Therefore, the Department failed to establish that Petitioner's countable assets were higher than allowed for MA eligibility. Furthermore, it was unclear why the Department determined that Petitioner was ineligible for MSP benefits, as based on the MA Asset Budget presented, the total of Petitioner's assets was \$9,254.59, which is below the \$9,430 MSP asset limit.

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 determined that Petitioner was only eligible for MA under the Plan First Category effective May 1, 2024, and when it denied her MSP eligibility due to excess assets.

At the hearing, Petitioner raised additional concerns about the closure of her chore provider case and her eligibility for adult home help services. Although sometimes tied to MA eligibility, Petitioner was advised that any dispute concerning her chore provider or home help services case was to be directed to the adult medical services district within the Department, as Petitioner would have received some type of eligibility notice regarding her chore provider case and the current hearing was scheduled to address Petitioner's MA eligibility.


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. Redetermine Petitioner's MA and MSP eligibility under the most beneficial category for May 1, 2024, ongoing;
2. If eligible, provide Petitioner with MA and MSP coverage under the most beneficial category, that she 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

Tara Roland 82-17

Wayne-Greenfield/Joy-DHHS

8655 Greenfield

Detroit, MI 48228

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Interested Parties

BSC4

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EQAD

Via First Class Mail:

Petitioner

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