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Date Mailed: February 25, 2025
MOAHR Docket No.: 24-013186
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 January 29, 2025. Petitioner appeared and was represented by their Authorized Hearing Representative (AHR) and sister, [REDACTED]. The Department of Health and Human Services (Department) was represented by Terrel Stevens, Lead Worker.

ISSUE

Did the Department properly close Petitioner's Medicaid (MA) and Medicare Savings Program (MSP) cases effective December 1, 2024?

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 Group 2 Aged, Blind, and Disabled (G2S) MA, and MSP benefits.
2. On November 1, 2024, the Department received a completed redetermination application for MA from Petitioner for MA and MSP. Petitioner included a statement from Fifth Third Bank (Bank) that reflected a balance of \$ [REDACTED] as of October 28, 2024. (Exhibit A, pp. 1, 14).
3. On November 13, 2024, the Department sent Petitioner a Health Care Coverage Determination Notice (HCCDN) informing Petitioner that her MA case was closed due to excess assets, and MSP for failure to meet basic criteria for the program, effective December 1, 2024 ongoing. (Exhibit A, pp. 17 – 18).

4. On November 25, 2024, the Department received a request for hearing from Petitioner, disputing the Department's closure of her MA and MSP cases. (Exhibit A, pp. 3 – 5).

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 Department's closure of her MA and MSP cases. The Department closed Petitioner's MA and MSP cases effective December 1, 2024 due to excess assets.

Under federal law, an individual is entitled to the most beneficial category, which is the one that results in a) eligibility, b) the least amount of excess income, or c) the lowest cost share. BEM 105 (January 2024), p. 2. All MA category options must be considered in order for the Petitioner's right of choice to be meaningful. BEM 105, p. 2. MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for Healthy Michigan Plan (HMP) coverage. 42 CFR 435.911; 42 CFR 435.100 to 435.172; BEM 105, p. 1; BEM 137 (January 2024), p. 1; BEM 124 (July 2023), p. 1. Because Petitioner is a Medicare recipient and is not the caretaker of a minor child, Petitioner is eligible for MA under only SSI-related categories.

Based on Petitioner's circumstances, she was potentially eligible for AD-Care MA or G2S. The AD-Care program is a Group 1, full-coverage, SSI-related MA program for individuals who are income-eligible based on their MA fiscal group size, while G2S is an SSI-related MA program which provides for MA coverage with a monthly deductible. BEM 163 (July 2017), p. 1; BEM 166 (April 2017), p. 1. As SSI-related MA programs, both AD-Care MA and G2S have an asset test and require the Department to consider a client's countable assets when determining eligibility for those categories. BEM 400 (October 2024), pp. 1, 7. MSPs are also SSI-related MA categories and subject to financial eligibility factors, including limits on countable assets. BEM 165, pp. 8 – 9. An

asset is countable if it meets the availability tests and is not specifically excluded by policy. BEM 400, p. 2.

For purposes of SSI-related MA, countable assets include cash and funds in bank accounts and must be verified at application, redetermination, and when a change is reported. BEM 400, p. 61. For MA, the value of those assets cannot exceed the applicable asset limit, which was \$2,000 for single individuals, such as Petitioner. BEM 400, p. 9. For MSP, countable assets could not exceed \$9,430 for an asset group of one. BEM 165, p. 8; BEM 400, pp. 3, 8.

In this case, there was no dispute that Petitioner received funds totaling \$ [REDACTED] due to her husband's passing and that she deposited those funds with Bank on October 21, 2024. There was no evidence that the funds Petitioner received due to her husband's passing were subject to exclusion from her countable assets. BEM 400, pp. 18 – 26. Petitioner's AHR testified that Petitioner's ongoing account balance with Bank exceeded \$ [REDACTED], the asset limit for MSP, which was higher than the MA asset limit, until on or about December 14, 2024, and continued to exceed \$2,000, the asset limit for MA, as of the date of the instant hearing. Thus, there was no evidence that Petitioner's countable assets were less than the asset limits on any day during the month of November 2024. BEM 400, p. 6. Therefore, the Department properly determined Petitioner had excess assets for MA and MSP effective December 1, 2024.

Petitioner may reapply for MA and/or MSP when her assets no longer exceed the applicable limits.

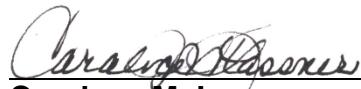
It is noted that Petitioner also raised a concern regarding a denial of payment notice she received from [REDACTED] in September 2024. (Exhibit 1, p. 3). Based on the information set forth in the notice, the denial was not related to Petitioner's eligibility for MA coverage. Because the denial of payment was not related to an action or inaction of the Department regarding Petitioner's MA, there is no issue for the undersigned to address with regard to that denial of payment.

DECISION AND ORDER

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

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 determined Petitioner had excess assets and was ineligible for MA and MSP effective December 1, 2024.

CML/mp



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
Vivian Worden
Macomb County DHHS Mt. Clemens
Dist.
44777 Gratiot
Clinton Township, MI 48036
MDHHS-Macomb-12-
Hearings@michigan.gov

Via-First Class Mail :

Authorized Hearing Rep.