



Date Mailed: October 8, 2025

Docket No.: 25-029344

Case No.: [REDACTED]

Petitioner: [REDACTED]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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

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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; 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 via telephone conference on September 8, 2025. Petitioner was not present for the hearing. Petitioner was represented by attorney Robert Mannor who called Elizabeth Hiltz, Paralegal, as a witness. The Michigan Department of Health and Human Services (MDHHS or Department) was represented by JoAnn Rivera, Assistance Payments Supervisor.

ISSUE

Did the Department properly deny Petitioner's application 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. On or around October 3, 2024, the Program of All Inclusive Care For The Elderly (PACE) completed an evaluation/assessment and approved Petitioner for PACE services. (Exhibit A, pp. 9-17)
2. On or around [REDACTED] 2025, a Long-Term Care (LTC) MA Application was submitted to the Department on Petitioner's behalf. (Exhibit A, pp. 9-17)
3. The Department asserted that because, at the time of the [REDACTED] 2025, MA application, it had been over 90 days since the October 2024 PACE approval, it could not be used, and a new assessment would need to be completed. (Exhibit A, pp. 9-17)
4. On an unverified date and for an unknown reason, the [REDACTED] 2025, MA application was denied.
5. On or around [REDACTED] 2025, a second LTC MA application was submitted to the Department on Petitioner's behalf.
6. The Department approved Petitioner for MA benefits under the limited coverage Plan First category effective May 1, 2025.

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7. The Department asserted that because it did not receive an updated PACE approval notice, an initial asset assessment could not be completed to determine which assets were protected.
8. On or around June 15, 2025, the Department sent Petitioner a Health Care Coverage Determination Notice advising that effective July 1, 2025, she was ineligible for MA on the basis that the value of her countable assets is higher than allowed. (Exhibit A, pp. 20-23)
9. On or around July 31, 2025, a request for hearing was submitted on Petitioner's behalf disputing the denial of her [REDACTED] 2025, LTC MA application. (Exhibit A, pp. 3-8)

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, the hearing was requested to dispute the denial of Petitioner's [REDACTED] 2025, LTC MA application.

PACE is a managed care program designed for the frail, elderly population. The Medicaid Services Administration (MSA) administers the program through contracts with PACE organizations. The PACE organization receives referrals from medical providers in the community who believe a person meets both the PACE program and Medicaid eligibility factors, as well as the nursing level of care criteria. The PACE program is not a Medicaid category, but there are special eligibility rules for clients approved for PACE services. BEM 167 (July 2023), pp. 1-5. Countable assets cannot exceed the asset limit for SSI-related MA categories in BEM 400 and are determined based on MA policies in BEM 400, 401, and 402. When completing the initial asset assessment (IAA), the special MA asset rules in BEM 402 apply. The date of medical assessment and approval for PACE enrollment is completed by the PACE agency is the first day of continuous care for purpose of determining the IAA; unless there is a previous period of care which meets the definition of a first day of continuous care found in BEM 402. Approval for PACE means the participant expects to receive appropriate waiver

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services for at least 30 consecutive days. The Department may share with the PACE organizations any copies of Verification Checklists and MA Determination Notices (DHS-1606). See BEM 167, pp. 1-5.

An IAA is needed to determine how much of a couple's assets are protected for the community spouse. The Department applies the policy outlined in BEM 402 to determine asset eligibility for the first period of continuous care when a PACE client has a community spouse, and a presumed asset eligibility period has not yet been established, or if established, the presumed asset eligible period has not ended. BEM 402 (January 2025), p. 1.

At the hearing, the Department representative testified that because the Department had not received an updated PACE approval notice in connection with the ██████████ 2025, application, the IAA could not be completed. The Department representative testified that based on the countable assets provided, Petitioner was ineligible for MA as the value of the assets exceeded the limit.

Petitioner's attorney argued that at the time the ██████████ 2025, application was submitted, the Department was informed that it was a PACE MA application. Petitioner's attorney asserted that the PACE organization failed to inform the Department that Petitioner had been reassessed and approved for PACE services as of April 1, 2025. The Department representative testified that usually, the PACE organization sends the approval to the Department with the application but in Petitioner's case, this did not occur. Ms. Hiltz, Petitioner's witness, testified that she has never been asked by the Department to submit the PACE approval and that it is always sent to the Department by the PACE organization. On cross-examination, Ms. Rivera, the Department representative, confirmed that the Department was aware as of April 30, 2025, that the application was a PACE application. She further confirmed that on August 22, 2025, she received verification that Petitioner was approved for PACE services as of April 1, 2025; however, because the application had already been denied, it could not be reprocessed.

The Department representative asserted that she reached out to the PACE organization via email after the ██████████ 2025, application was received in order to obtain the PACE approval but did not hear back. The Department failed to present the emails for review during the hearing and the only emails presented were for communications prior to the ██████████ 2025, application date. The Department acknowledged that there was no VCL sent to either the PACE organization or Petitioner's representative instructing them to submit the PACE approval so the IAA could be completed in a timely manner. See BAM 130. Upon review, the Department failed to show that it properly processed Petitioner's MA application as there was no evidence presented by the Department that either the PACE organization or the Petitioner/representative were instructed to submit the PACE approval in order for the IAA to be completed. Thus, because the IAA was not completed, the Department failed to establish that the value of Petitioner's countable assets exceeded the income limit.

DECISION AND ORDER

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed and denied Petitioner's [REDACTED] 2025, LTC MA application.

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. Register and process Petitioner's [REDACTED] 2025, LTC MA application to determine her eligibility under the most beneficial category for April 1, 2025, ongoing;
2. Complete the initial asset assessment using the April 1, 2025, PACE approval/enrollment date in accordance with Department policy;
3. If otherwise eligible, provide Petitioner with MA coverage under the most beneficial category, that she was entitled to receive but did not from April 1, 2025, ongoing; and
4. Notify Petitioner and her attorney in writing of its decision



ZAINAB A BAYDOUN
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Petitioner may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available through the State Bar of Michigan at <https://lrs.michbar.org> or Michigan Legal Help at <https://michiganlegalhelp.org>. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
Michigan Office of Administrative Hearings and Rules
Rehearing/Reconsideration Request
P.O. Box 30639
Lansing Michigan 48909-8139

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

