



FH
[REDACTED]

**STATE OF WISCONSIN
Division of Hearings and Appeals**

In the Matter of

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

DECISION
Case #: MGE - 214773

PRELIMINARY RECITALS

Pursuant to a petition filed on August 26, 2024, under Wis. Stat. § 49.45(5), and Wis. Admin. Code § HA 3.03(1), to review a decision by the Waukesha County Health and Human Services regarding Medical Assistance (MA), a hearing was held on October 23, 2024, by telephone. This hearing was held with a companion appeal (MQB-214772). A separate decision has been issued regarding that appeal.

The issue for determination is whether the agency correctly denied Petitioner's application for MA for failing to provide requested verification.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Petitioner's Representative:

[REDACTED]
[REDACTED]
[REDACTED]

Respondent:

Department of Health Services
1 West Wilson Street, Room 651
Madison, WI 53703

By: Amanda Eschenburg
Waukesha County Health and Human Services
514 Riverview Avenue
Waukesha, WI 53188

ADMINISTRATIVE LAW JUDGE:

Wendy I. Smith
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner (CARES # [REDACTED]) is a resident of Waukesha County.
2. On April 29, 2024, Petitioner applied for the Elderly, Blind, and Disabled Medicaid program, including Long-Term Nursing Home Care.
3. Petitioner's application reported a transfer of \$5,000.00 on April 27, 2024, to his "Sister" for "Paid Bills."
4. In a notice dated May 6, 2024, Respondent notified Petitioner that it required verification of certain information to process his application. Regarding his application for the MSP, this notice requested proof documents for Petitioner's savings account at [REDACTED] and completion of an enclosed questionnaire about his financial accounts, assets, and monies owed. The due date was May 29, 2024. Petitioner was advised that failure to take the required action or provide the requested proof documents by the due date will result in benefits being denied, decreased, or ended.
5. Petitioner supplied bank statements from [REDACTED] dated May 13, 2024, containing checking and savings accounts. Respondent identified a \$4,000.00 withdrawal on March 2, 2024, and a \$6,950.80 withdrawal on April 15, 2024, that needed to be assessed for possible divestment. The ending balance stated on the statement was \$4,808.50.
6. Respondent extended the deadline for producing proof documents until June 1, 2024, and again until July 1, 2024.
7. On June 10, 2024, Respondent received information from Petitioner that the \$4,000.00 withdrawal was used to pay back rent owed to his sister [REDACTED]. Respondent accepted this as not questionable. Petitioner provided information that the \$6,950.80 withdrawal was used for more rent due, storage payments, utility and other miscellaneous bills paid by his sister, and to purchase half of a Toyota Corolla. Respondent requested an itemized listing of how much of the withdrawn money was used for each expense to adequately assess for possible divestment.
8. In a deadline extension notice dated June 12, 2024, Respondent requested additional proof documents concerning a 2012 Toyota Corolla.
9. By July 1, 2024, Respondent was still awaiting verification information from Petitioner on the \$5,000.00 transfer reported on his application, the itemized breakdown of expenditures of the \$6,950.00 withdrawal, and the vehicle title for the Toyota Corolla.
10. In a notice dated July 2, 2024, Respondent informed Petitioner that his application for the Medicaid was denied as of March 1, 2024, because Petitioner failed to provide proof of assets in a [REDACTED] savings account and the market value of a transferred asset. Petitioner's enrollment in Long-Term Nursing Home Care was denied as of March 12, 2024, for the same reason.
11. Petitioner now appeals to the Division of Hearings and Appeals.

DISCUSSION

SSI-related Medicaid is a health insurance program available for individuals who are elderly, blind or disabled and who meet certain other non-financial and financial eligibility criteria. *Medicaid Eligibility*

Handbook (ME Handbook) § 24.1, et. seq. Applicants that require long-term care in an institutional setting may be eligible if they satisfy income and asset limitations. *Id. at § 27.5.*

The agency is required to determine an applicant's eligibility through a verification process to accurately identify an applicant's income and assets. *See id.* at §§ 15.1, 16.1. The agency must also assess transfers of assets for possible divestment. *Id.* at § 17.1. Divestment is the term used in the MA program for transfers of ownership of assets or income and receiving less than fair market value. *Id.* If a transfer of assets is an unallowable divestment, the applicant may be subject to a penalty period. *Id.* at § 17.3. Applicants seeking long-term care through institutional Medicaid are subject to divestment rules.

The agency may use all available data exchanges to verify information, but the member has primary responsibility for providing verification. *Id.* at § 20.5.

In this case, Respondent had valid concerns about withdrawals made from Petitioner's bank account and Petitioner's reported transfer of \$5,000.00 in order to assess for possible divestment. At the hearing, the agency's representative testified about her uncertainty about how the \$4,000.00 and \$6,950.00 withdrawals were spent, such as whether the funds were for the payment of expenses incurred by Petitioner or whether they were gifts to other people. She also testified about uncertainty over how the withdrawals on the bank statement related to Petitioner's reported \$5,000.00 transfer to his sister for payment of bills on his application. Specifically, there were questions about whether the \$5,000.00 transfer was for payment of Petitioner's bills or payment of his sister's bills (a fact that was relevant to determine whether the transfer was a divestment). The representative also testified about the uncertainty of ownership of a Toyota Corolla partially purchased by Petitioner.

Petitioner's representative attended the hearing and offered explanations for the withdrawals. I have no reason to doubt her explanations. However, at the time Respondent issued its denial notice on July 2, 2024, it still had valid concerns about the withdrawals and had insufficient information to properly assess the withdrawals for divestment, which it is required to do as part of its MA eligibility process. Based on the evidence before me, I can find no error in the Respondent's denial of the application for failure to supply the requested verification information.

Petitioner's appeal also claims that his application process was delayed. The period for processing an application for MA is 30 days. *Id.* at § 20.7.1.1. The agency must request verification within the 30-day processing time and give the applicant a minimum of 20 days to provide any necessary verification. *Id.* Here, Respondent requested verification within the allowable period. Respondent extended verification deadlines twice to the benefit of the Petitioner to allow him more time to submit the requested information. Based on the evidence before me, I can find no error in Respondent's extension of the application processing period when it did so in response to Petitioner's failure to produce required documentation.

Petitioner may still reapply for MA benefits when he is able to meet the income and asset limitations.

CONCLUSIONS OF LAW

The agency correctly denied Petitioner's application for Medical Assistance for failure to produce verification information by the stated deadline.

THEREFORE, it is

ORDERED

That Petitioner's appeal is dismissed.

REQUEST FOR A REHEARING

You may request a rehearing if you think this decision is based on a serious mistake in the facts or the law or if you have found new evidence that would change the decision. Your request must be **received within 20 days after the date of this decision**. Late requests cannot be granted.

Send your request for rehearing in writing to the Division of Hearings and Appeals, 4822 Madison Yards Way, 5th Floor North, Madison, WI 53705-5400 **and** to those identified in this decision as "PARTIES IN INTEREST." Your rehearing request must explain what mistake the Administrative Law Judge made and why it is important or you must describe your new evidence and explain why you did not have it at your first hearing. If your request does not explain these things, it will be denied.

The process for requesting a rehearing may be found at Wis. Stat. § 227.49. A copy of the statutes may be found online or at your local library or courthouse.

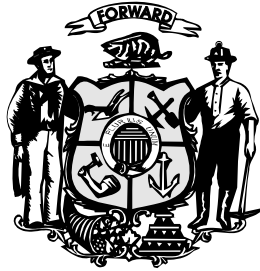
APPEAL TO COURT

You may also appeal this decision to Circuit Court in the county where you live. Appeals must be filed with the Court **and** served either personally or by certified mail on the Secretary of the Department of Health Services, 1 West Wilson Street, Room 651, **and** on those identified in this decision as "PARTIES IN INTEREST" **no more than 30 days after the date of this decision** or 30 days after a denial of a timely rehearing (if you request one).

The process for Circuit Court Appeals may be found at Wis. Stat. §§ 227.52 and 227.53. A copy of the statutes may be found online or at your local library or courthouse.

Given under my hand at the City of Milwaukee,
Wisconsin, this 1st day of November, 2024

\s _____
Wendy I. Smith
Administrative Law Judge
Division of Hearings and Appeals



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The preceding decision was sent to the following parties on November 1, 2024.

Waukesha County Health and Human Services
Division of Health Care Access and Accountability

