



FH
[REDACTED]

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

In the Matter of

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

DECISION
Case #: MGE - 218833

PRELIMINARY RECITALS

Pursuant to a petition filed on June 20, 2025, under Wis. Stat. § 49.45(5), and Wis. Admin. Code § HA 3.03(1), to review a decision by the Milwaukee Enrollment Services regarding Medical Assistance (MA), a hearing was held on August 6, 2025, by telephone. The hearing record was held open for five days to allow Petitioner to submit additional documentation. On August 8, 2025, the Division of Hearings and Appeals received a letter from Petitioner's representation confirming Petitioner's life insurance policy premium amounts, a fact of central relevance to the issue in dispute.

The issue for determination is whether the agency is properly excluding Petitioner's life insurance policy premiums from his patient liability calculation.

There appeared at that time the following persons:

PARTIES IN INTEREST:

Petitioner:

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

Respondent:

Department of Health Services
1 West Wilson Street, Room 651
Madison, WI 53703
By: Lyeshia Griffin
Milwaukee Enrollment Services
1220 W Vliet St
Milwaukee, WI 53205

ADMINISTRATIVE LAW JUDGE:
Teresa A. Perez
Division of Hearings and Appeals

FINDINGS OF FACT

1. Petitioner (CARES # [REDACTED]) is a 76-year old unmarried resident of Milwaukee County who resides in a skilled nursing facility and receives Institutional Medical Assistance.
2. Petitioner's current patient liability is \$0 and includes a \$3,100.80 payment towards an outstanding nursing home bill, a \$55 personal needs allowance, and a \$185 health insurance premium.
3. As of March 2025, Petitioner's nursing home bill had an outstanding balance of approximately \$57,000. His patient liability will remain \$0 until that bill is paid off, which is expected to happen sometime in 2026.
4. Petitioner has two life insurance policies--the proceeds of which are intended to fund his burial expenses. He pays a monthly premium for each of those policies. The premiums total \$70.77.
5. Petitioner requested that his life insurance policy premiums also be included as a deductible expense when calculating his patient liability. The agency has denied that request. Currently, the agency's exclusion of that expense makes no difference because his patient liability is \$0. If / when Petitioner pays off his nursing home bill, deduction of his life insurance premium amount would decrease his patient liability.
6. Petitioner filed an appeal regarding the agency's refusal to identify his life insurance policy premiums as a deductible expense.

DISCUSSION

Institutionalized individuals who receive Medicaid must generally pay a "cost of care" each month. This amount is referred to as a patient liability. See *Medicaid Eligibility Handbook* §27.7.1.

The following amounts may be subtracted from an individual's income when calculating the patient liability.

1. \$65 and ½ earned income [disregard](#)
2. Monthly cost for health insurance
3. Support payments
4. Personal needs allowance (typically \$45 per month)
5. Home maintenance costs, if applicable
6. Expenses for establishing and maintaining a court-ordered guardianship or protective placement, including court-ordered attorney and/or guardian fees
7. Medical or remedial expenses.

Id. at 27.7.1.

The agency properly applied this policy in declining to deduct Petitioner's life insurance policy premiums in the patient liability calculation. Petitioner's representative, a staff member from the nursing facility where he resides, did not dispute the agency's calculation of Petitioner's patient liability; rather, she said that she was aware of times that the Division of Hearings and Appeals has allowed premiums for life insurance policies to be deducted in cost of care calculations. She did not, however, provide any DHA case numbers or copies of decisions so I am not sure what she is referring to. (I suspect that Petitioner's representative may be thinking of a provision of Medical Assistance spousal impoverishment law which

grants the Division of Hearings and Appeals discretion to increase the amount of income that a married institutionalized spouse can make available to their community spouse which, in turn decreases the patient liability amount, under certain circumstances.)

As an administrative law judge, I must apply the relevant legal authority as written and reasonably interpreted and have no discretion to grant exceptions, which is what Petitioner seeks here.

CONCLUSIONS OF LAW

The agency correctly determined that Petitioner's life insurance policy premiums cannot be deducted when calculating Petitioner's patient liability.

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.

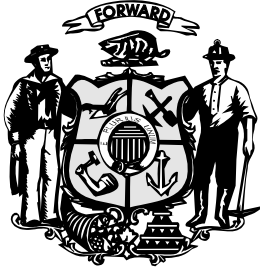
APPEAL TO COURT

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 Madison,
Wisconsin, this 5th day of September, 2025

\s _____
Teresa A. Perez
Administrative Law Judge
Division of Hearings and Appeals



State of Wisconsin\DIVISION OF HEARINGS AND APPEALS

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The preceding decision was sent to the following parties on September 5, 2025.

Milwaukee Enrollment Services
Division of Health Care Access and Accountability