

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No.: 2009-13583  
Issue No.: 2013  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
October 22, 2009  
Macomb County DHS (36)

ADMINISTRATIVE LAW JUDGE: Linda Steadley Schwarb

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a hearing was held on October 22, 2009. The claimant appeared and testified.

ISSUE

Does the Department of Human Services (DHS or department) properly propose to determinate claimant's daughter's Healthy Kids health coverage program based upon excess income?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

- 1) Claimant's daughter has been an ongoing recipient of the Healthy Kids program.
- 2) In December of 2008, the department initiated a periodic review of ongoing eligibility.

- 3) On December 10, 2008, claimant submitted a new Mi Child and Healthy Kids Application to the department which revealed that claimant had gross monthly income of \$2,798.78. (Department Exhibit #1, Page 3.)
- 4) Thereafter, the department prepared a budget in which a \$90.00 work expense was subtracted from claimant's earnings, leaving a net earnings figure of \$2,708.00.
- 5) The department determined that net income for claimant's daughter's fiscal group was in excess of 150% of the poverty level.
- 6) On January 5, 2009, the department notified claimant that it intended to terminate claimant's daughter's Healthy Kids coverage effective January 17, 2009, because of excess income.
- 7) Claimant filed a timely hearing request on January 15, 2009, to protest the department's proposed negative action.
- 8) Thereafter, the department deleted its proposed negative action pending the outcome of the instant hearing.

#### CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Relevant departmental policy in this matter is as follows:

Group 2 FIP-Related MA and Healthy Kids

Determine the fiscal group for each person who is requesting MA. The fiscal group must be determined separately for each person.

In determining a person's eligibility, the only income that may be considered is the person's own income and income of the following persons who live with the customer:

- The customer's spouse and
- The customer's parent(s) if the customer is a child.

This means, for example that: ...

- A step-parent's income cannot be used to determine a step-child's eligibility.

But it also means that:

- The parent's income is considered in determining his/her child's eligibility. PEM Item 211, Page 4

Other Healthy Kids

Other Healthy Kids is a FIP-related Group 1 MA category.

MA is available to a person who is under age 19 when net income does not exceed 150% of the poverty level ...

Income eligibility exists when net income does not exceed 150% of the poverty level. The income limit is in RFT 246. PEM Item 131, Page 1.

MA Poverty Levels

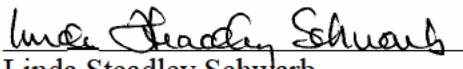
Fiscal Group: 2      150%      \$1,750  
RFT 246, Page 1.

In this case, the undersigned Administrative Law Judge has reviewed the Healthy Kids budget and finds that the department has properly computed the budget. 150% of the poverty level for a group of two is \$1,750.00. The net income for claimant's daughter's group of two

was \$1,786.00. As such, the department properly determined that claimant's child is no longer eligible for Healthy Kids due to excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services properly determined that claimant's daughter is no longer eligible for Healthy Kids due to excess income. Accordingly, the department's determination in this matter is hereby affirmed.

  
Linda Steadley Schwarz  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: January 22, 2010

Date Mailed: January 25, 2010

**NOTICE:** Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

LSS/pf

cc:

