

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.: 2009-19749  
Issue No.: 3015/2021  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
June 11, 2009  
Wayne County DHS (17)

ADMINISTRATIVE LAW JUDGE: Michael Bennane

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 telephone hearing was conducted from Detroit, Michigan on June 11, 2009. The Claimant appeared and testified. [REDACTED], FIS Case Manager appeared on behalf of the Department. [REDACTED] appeared as an interpreter.

ISSUES

1. Whether the Department properly denied the Claimant's Food Assistance ("FAP") benefits?
2. Whether the Department properly denied the Claimant's Medical Assistance ("MA") application?

FINDINGS OF FACT

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

1. Claimant applied for FAP and MA benefits on March 27, 2009.

2. Claimant lives in a household of 4 persons.
3. Claimant receives income from a pension (\$1134) and RSDI benefits (\$1230), his wife and two children also receive RSDI benefits (\$344 each). (Exhibits 3-4)
4. Claimant has an obligation for shelter, utilities and heat.
5. The department determined that claimant is not entitled to FAP benefits based on excess income. (Exhibit 2)
6. The department determined that claimant's children are not entitled to Healthy Kids benefits based upon excess income. (Exhibit 5-6)
7. Claimant provided verification of a bank account with a balance of \$14,094.86. (Exhibit 16)
8. The department determined that claimant and his wife were not entitled to MA benefits based upon excess assets. (Exhibit 7)
9. Claimant requested a hearing on April 7, 2009 contesting the denial of FAP, and MA benefits.

#### CONCLUSIONS OF LAW

##### **Food Assistance**

The Food Assistance Program, formerly known as the Food Stamp ("FS") program, is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations ("CFR"). The Department of Human Services ("DHS"), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual ("PAM"), the Program Eligibility Manual ("PEM"), and the Program Reference Manual ("PRM").

The federal regulations define household income to include pension and RSDI benefit income. 7 CFR 273.9(b). Under 7 CFR 273.9, as amended, \$135 is deducted from the gross income of FAP recipients in determining FAP grants. Under 7 CFR 273.9 deductions for excess shelter expenses are also made. PEM 554.

In the present case, according to the aforementioned policy on budgeting, claimant has a net monthly income of \$3077. This was obtained by subtracting the standard deduction of \$135 and the excess shelter amount of \$181 from the gross income of \$3396. The gross income was obtained by adding claimant's pension income of \$1134, claimant's RSDI benefit income \$1230, claimant's wife's RSDI benefit income of \$344, and the RSDI benefit income for each of the two children of \$344 each. The amount of a monthly food assistance allotment is established by regulations a 7 CFR 273.10. A household of four persons with a net monthly income of \$3077 is not eligible for FAP benefits. RFT 260. The monthly net income limit for a group of four is \$1,767. RFT 250.

Based upon the foregoing facts and relevant law, it is found that the department's FAP determination is AFFIRMED.

### **Medical Assistance**

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 (formerly known as the Family Independence Agency) 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).

### **Adult Medicaid**

Under PEM 400 assets must be considered in determining eligibility for MA programs. Assets mean cash, any other personal property and real property. Countable assets cannot exceed the applicable asset limit, in the present case \$3,000. PEM 400.

In the present case, MA was considered for claimant and his wife. However, the [REDACTED] bank print out submitted by claimant shows a balance of \$14,094.86. Based upon the bank print out, claimant and his wife had assets that exceeded the MA asset limit of \$3000.

### Healthy Kids

Under the Healthy Kids program, there is no asset test and MA is available to a person who is under age 19 when the group's net income does not exceed 150% of the poverty level. PEM 131. The income for the fiscal group is used, and a fiscal group is made up of the child and the child's parents. PEM 211. The monthly income limit for a fiscal group of 3 was \$2200 in March 2009. RFT 246.

Under PEM 536 each fiscal group member's countable income is determined. PEM 536. RSDI benefits are counted as unearned income. PEM 500. For persons with dependants, a prorated divisor is used to calculate the person's prorated share of their own income. The prorated division is the number of dependants (spouse plus children) plus 2.9). A child's net income also includes 3.9 prorated shares of the each parent's earnings. PEM 536. The fiscal group's net income is calculated by adding together the child's net income with one prorated share of each parent's income. PEM 536.

In the present case, Healthy Kids MA was considered for each claimant's two children as they were under age 19. Eligibility for each child was determined separately using a fiscal group of three (child plus two parents.) According to the aforementioned policy on budgeting, the fiscal group's net monthly income for each child was determined to be \$2588. (Exhibit 10)

This was determined by calculating the countable income for each group member. The father had countable income of \$2364 from RSDI benefits. The mother and each child also had countable income of \$344 each from RSDI benefits. Each parent was considered to have 3 dependants (spouse and 2 children) therefore a prorate divisor of 5.9 was used to determine each parents share of their own income. The prorated share for the father was \$400 (\$2364 divided by 5.9) and the prorated share for the mother was \$58 (\$344 divided by 5.9).

The child's net income of \$2130 was calculated by adding the child's earnings (\$344) plus 3.9 prorated shares of each parents income (from the father 3.9 times \$400 = \$1560 and from the mother 3.9 time \$58= \$226). The fiscal group's net income of \$2588 was calculated by adding one prorated share of each parent's (income \$400 father and \$58 mother) to the child's net income (\$2130). Accordingly, the fiscal group's net income of \$2588 exceeded the limit of \$2200 for the Healthy Kids program.

Based upon the foregoing facts and relevant law, it is found that the Department's MA determinations are AFFIRMED.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly denied the Claimant's March 27, 2009 FAP and MA application.

Accordingly, the Department's FAP and MA eligibility determinations are AFFIRMED.



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Michael Bennane  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

2009-19749/MJB

Date Signed: 12/04/09

Date Mailed: 12/04/09

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 60 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the receipt 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.

MJB/jlg

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