

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: 2009-32009
Issue No: 2018; 2026; 3002
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
September 1, 2009
Washtenaw County DHS

ADMINISTRATIVE LAW JUDGE: Suzanne L. Keegstra

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 held on September 1, 2009. The claimant personally appeared and provided testimony.

ISSUES

1. Did the department properly terminate the claimant's Medical Assistance (MA) case in July, 2009?
2. Did the department properly place the claimant on a MA deductible in July, 2009?
3. Did the department properly budget the claimant's Food Assistance Program (FAP) benefits beginning in August, 2009?

FINDINGS OF FACT

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

1. The department closed the claimant's MA case in error on July 17, 2009. The department reinstated the claimant's MA case on August 14, 2009, back to the date of closure, August 1, 2009.

2. The claimant's FAP case came due for a Redetermination during the month of July, 2009. The claimant was mailed a Redetermination form (DHS-1010) on June 30, 2009. The claimant completed and returned the form on July 20, 2009. On this form, the claimant indicated she was homeless. (Department Exhibit 4 – 7).

3. The claimant receives RSDI for her son, [REDACTED] in the amount of \$119.00 per month. (Department Exhibit 8 - 9).

4. The claimant was receiving unemployment compensation benefits (UCB) in May, June and July, 2009 and had seven weeks remaining as of August 12, 2009. The claimant received \$430.00 biweekly. (Department Exhibit 12 – 15).

5. The department budgeted the claimant's FAP benefits using \$1043.00 in countable income (924.50 UCB and 119.00 RSDI). (Department Exhibit 16).

6. The claimant was not given any shelter expense deduction for FAP as she indicated in her Redetermination that she was homeless. (Department Exhibit 17 – 18).

7. This resulted in a monthly FAP benefit amount of \$94.00. (Department Exhibit 17).

8. On August 19, 2009, the claimant turned in a letter that indicates she has been staying with [REDACTED] and that she is charged \$250.00 bi-weekly. (Department Exhibit 19).

9. The department mailed the claimant a Verification Checklist (DHS-3503) requesting [REDACTED] complete a Shelter Verification form (DHS-3688) and return it to the department. (Department Exhibit 20).

10. The claimant submitted multiple hearing requests, including one on July 2, 2009 and one on August 6, 2009.

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).

The Food Assistance Program (FAP) (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 or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

Department policy states:

INCOME

DEPARTMENT POLICY

All Programs

The group composition and program budgeting items specify whose income to count. The program budgeting items might also contain program-specific income deductions or disregards.

Income means benefits or payments measured in money. It includes money a person owns even if NOT paid directly such as

stock dividends automatically reinvested and income paid to a representative.

Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Unearned income means all income that is NOT earned income. The item specifies whether the income is earned or unearned.

The amount of income counted may be more than the amount a person actually receives, because it is the amount before any deductions including deductions for taxes and garnishments. The amount before any deductions is called the **gross** amount. PEM, Item 500, p. 1.

Income remaining after applying the policy in this item is called **countable**.

Count all income that is NOT specifically excluded. PEM, Item 500, p. 1.

RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE (RSDI) (AKA SOCIAL SECURITY BENEFITS)

All Programs

RSDI is available to retired and disabled persons, their dependents, and survivors of deceased workers.

Count the gross benefit amount as unearned income. PEM, Item 500, p. 29.

UNEMPLOYMENT BENEFITS

All Programs

Unemployment benefits include:

- . Unemployment Compensation Benefits (UCB) available through the Michigan Unemployment Agency and comparable agencies in other states, and
- . Supplemental Unemployment Benefits (SUB pay) from an employer or other source.

Count the gross amount as unearned income. PEM, Item 500, p. 34.

The claimant clarified her hearing issues at the beginning of the hearing. The claimant indicates that she did not have MA benefits for the month of June, 2009. The claimant also disputes the amount of her FAP benefits beginning in August, 2009 and the claimant disputes being placed on a MA deductible case.

The department testified there was a problem with the claimant's MA case being closed in error on July 17, 2009. However, the department testified that the claimant's MA case was reinstated on August 14, 2009, with an effective date of August 1, 2009, so the claimant never lost any MA coverage. The Bridges pre-conversion information (See Exhibit 1 – 3) shows that the claimant did have full MA coverage for the month of June, 2009. The claimant was not placed on a deductible MA case until July 1, 2009. The claimant's deductible was then \$41.00.

The claimant testified that she had some problems with getting her MA services covered for the month of June, 2009. However, this appears to be resolved as the department's documentation is showing the claimant had full MA for the month of June, 2009 and was placed on a deductible MA case beginning July 1, 2009.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). PEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, **or**
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). PEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. PEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in PEM 544. PEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. PRT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. PEM 544. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the “protected income level” as set forth in the policy contained in the Program Reference Table (PRT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group’s monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. PEM 545; 42 CFR 435.831.

The department properly budgeted the claimant’s UCB and the claimant’s son’s RSDI income, which made the claimant ineligible for full MA benefits due to excess income. However, the claimant is eligible for a deductible MA case as outlined above, after meeting her monthly deductible.

The claimant next disputes her FAP allotment that she began receiving in August, 2009. The claimant’s FAP benefits were reduced because she reported on her Redetermination (DHS-1010) that she was homeless. This would necessarily mean that she was not paying any shelter

expenses; therefore, those deductions could not be included in the FAP budget. The claimant did provide a letter to the department on August 19, 2009 that indicates she is paying \$250.00 bi-weekly for shelter. The department mailed the claimant a Shelter Verification form to have completed and returned. The department testified that the information would be added to the claimant's FAP budget when the Shelter Verification Form was completed and returned.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides

1. The department improperly closed the claimant's MA case in July, 2009, but did restore the claimant's MA benefits so no benefits were lost. It is also noted that the claimant did have full MA coverage for the month of June, 2009.

2. The department properly placed the claimant on a MA deductible case beginning in July, 2009 due to excess income for full MA coverage.

3. The department properly budgeted the claimant's FAP benefits beginning in August, 2009.

Accordingly, the department's actions are UPHELD. SO ORDERED.

/s/

Suzanne L. Keegstra
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: October 28, 2009

Date Mailed: October 29, 2009

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.

SLK [REDACTED]

cc: [REDACTED]