

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: 2009-35163  
Issue No: 2015; 2026; 3002  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
October 8, 2009  
Barry County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

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 three-way telephone hearing was held on October 8, 2009. Claimant personally appeared and testified from her home telephone.

ISSUE

Did the department correctly determine that the claimant was no longer eligible for Transitional Medicaid Assistance (TMA), had a deductible for MA, and that her Food Assistance Program (FAP) benefits are to be reduced 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. Claimant was a recipient of TMA when the department determined that the 12 months of eligibility for this program had expired. Department then terminated TMA benefits

and computed an MA budget for Group 2 Caretaker Relative. This budget resulted in a deductible in the amount of \$770 per month due to excess income of claimant's family.

2. Department also computed a new FAP budget with UCB income of the claimant and her husband. This budget resulted in FAP benefit reduction.

3. Department took cited actions on claimant's MA and FAP case in August, 2009. Claimant requested a hearing on September 3, 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).

TMA is a Medicaid program to help families transition to self-sufficiency when a caretaker relative has income from employment. TMA however can only be received by a

family for 12 months. Claimant understands that her TMA eligibility therefore had to end after 12 months.

Department then computed MA eligibility based on Group 2 Caretaker Relative program. This computation resulted in excess income and a deductible. 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.

Claimant indicates that she understands the MA deductible.

Next program discussed during the hearing was claimant's FAP benefits. Budgeting of UCB was explained to the claimant along with what kind of expenses is allowed as deductions on the FAP budget. Claimant also indicates that she now understands how FAP budget is computed.

It is noted that the claimant also inquired about State Emergency Relief (SER) program during the hearing for help with housing needs. Requirements of SER were briefly explained to the claimant, one being that her housing must be affordable in order for any possible payments under this program.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly determined that the claimant was no longer eligible for TMA, had an MA deductible, and that her FAP benefits are to be reduced.

Accordingly, department's action is AFFIRMED, and it is SO ORDERED.

/s/ \_\_\_\_\_  
Ivona Rairigh  
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.

IR 

cc: 