

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.: 2009-35243
Issue No.: 3002/2014
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
October 12, 2009
Wayne County DHS (43)

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

HEARING DECISION

This matter is before the undersigned Administrative Law Judge upon pursuant to MCL 400. 9; MCL 400.37 upon claimant's request for a hearing. After due notice a telephone hearing was held on October 12, 2009 claimant was present and testified along with her daughter [REDACTED], [REDACTED], [REDACTED] JET Worker appeared for the department and testified.

ISSUE

Is the department correct in determining claimant's MA eligibility and FAP benefit?

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 Medicaid recipient.
- (2) Claimant is receiving RSDI benefits of \$1060.
- (3) The department determined that claimant had a \$684 Medicaid deductible and FAP benefits of \$265 for one person.

- (4) Claimant requested a hearing on September 2, 2009 contesting the amount of her Medicaid spend down and the amount of her FAP benefit.
- (5) Claimant testified at hearing that she was satisfied with her FAP benefit.

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 (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).

The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under PEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums as set forth in the policy contained in the program reference table. 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. A deductible 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.)

In the present case, claimant is contesting the deductible amount for her MA benefits. In determining net income a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant's RSDI benefit is \$1156, after subtracting \$96 for medical expenses her net income is \$1059. Claimant's net income \$1059 exceeds the monthly protected income level of \$375 by \$684 per month. Claimant is consequently ineligible to receive Medical assistance. However under the deductible program, if the claimant incurs medical expenses in excess of \$684 during the month she may then be eligible for Medical Assistance. This ALJ finds that the department has acted in accordance with department policy and law in denying ongoing Medical assistance and determining her deductible amount.

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 all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. PEM 550. Under 7 CFR 273.9, as amended, \$135.00 is deducted from the gross income of FAP recipients in determining FAP grants.

In the present case, claimant's household had \$1844 unearned income in August 2009. The standard deduction of \$135 was taken, as well as, a \$61 medical deduction resulting in adjusted gross income of \$1648. Claimant has shelter expense of \$779. Claimant has net income of \$869. The Food Assistant Issuance Table shows \$265 in benefit for a 3 person household for \$869 net income. RFT 260 This is the amount determined by the department for September and October 2009 and is correct. Beginning November 2009 claimant's benefit will be \$526 the maximum amount for a 3 person household.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the department was correct in the determination of MA and FAP benefits, and it is ORDERED that the department's decision in this regard be and is hereby AFFIRMED.



Aaron McClintic
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 11/02/09

Date Mailed: 11/02/09

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.

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cc:

