

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: 2009-10549

Issue No: 2014

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

November 5, 2009

Kent County DHS

ADMINISTRATIVE LAW JUDGE: Janice Spodarek

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, an evidentiary hearing was held on November 5, 2009.

ISSUE

Did the Department of Human Services (DHS) properly propose to close claimant's child's MA-L case at redetermination due to 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) At all relevant times prior to the proposed negative action herein, claimant's child was on an MA-L case scheduled for redetermination 11/2008.
- (2) The department processed an application 10/15/2008.

(3) Claimant lives in a household with three individuals; the fiscal group is three.

Claimant and her spouse both have earned income.

(4) Claimant did not dispute the amounts of earned income used on the budget.

(5) The budget shows excess income for MA-L for the child, which is titled “Healthy Kids in Group 2 FIP-Related.”

(6) The fiscal group net income on the budget shows \$2,582. Exhibit 3.

(7) PRT 246 indicates the net income limit for a fiscal group of three is \$1,526.

(8) On 11/26/08, the DHS issued a notice of case action informing claimant that the MA coverage for claimant’s child will be closed due to excess income.

(9) On 12/8/2008, claimant filed a timely hearing request. The department reinstated the action pending the outcome of the hearing.

(10) The department testified that a referral was made for MI Child, but probably not processed as claimant continues to receive benefits due to the timely hearing request.

#### 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).

Applicable policy and procedure to the case herein is found in PEM Item 500. Other relevant policy based upon the hearing summary indicates that the department is not required to verify income for Healthy Kids.

In this case, the department calculated eligibility on the MA budget for the child using both reported income on the application as well as paycheck stubs which were somewhat higher. The department testified that under both budgets, there was excess income for eligibility.

The income limit for MA-L is found in RFT Item 246, p. 1. That lists the net income level for a fiscal group of three at \$1,526.

A review of the record herein shows that claimant's budgeted net income on the MA budget is \$2,582. Claimant exceeds the net income cap and thus, there is no eligibility.

It is noted that the department indicated that it would give claimant a referral to Lansing for MI Child.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department's proposed actions were correct.

Accordingly, the department's proposed closure is hereby UPHELD.

The department is ORDERED to make a MI Child referral on behalf of claimant's child.

/s/  
\_\_\_\_\_  
Janice Spodarek  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: November 6, 2009

Date Mailed: November 9, 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.

2009-10549/JS

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 mailing date of the rehearing decision.

JS/cv

cc:

