

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: 2009-23631

Issue No: 2014

Case No: [REDACTED]

Load No: [REDACTED]

Hearing Date:

December 8, 2009

Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: Carmen G. Fahie

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 Tuesday, December 8, 2009. The claimant personally appeared and testified on her own behalf with her sister, [REDACTED] as a witness.

ISSUE

Did the department properly determine that the claimant was not eligible for the Medical Savings Program (MSP) based upon its determination that the claimant had 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) The claimant was a recipient of the MSP with a review date of February 2009.
- (2) On March 30, 2009, the department caseworker calculated the claimant's continued eligibility for the MSP (Department Exhibit 1-4):

- The claimant receives Social Security Retirement, Survivor's and Disability Insurance (RSDI) in the amount of [REDACTED]
- The claimant had a net unearned income of [REDACTED] resulting from a \$20 unearned income general exclusion from her [REDACTED] in RSDI income.
- The claimant had an earned income of [REDACTED].
- The claimant had a net earned income of [REDACTED], resulting from a \$65 plus ½ earned income disregard of \$357.50 minus the claimant's earned income of [REDACTED]
- The claimant had a net income of [REDACTED], resulting from the [REDACTED] of net earned income and the [REDACTED] of net unearned income.
- The claimant had a countable income of [REDACTED] where the income limit for the MSP was [REDACTED], which resulted in the claimant failing the income test for MSP because she was \$170 over the income limit.

(3) On March 30, 2009, the department caseworker sent the claimant a notice that she was no longer eligible for the MSP because of excess income with an effective date of May 1, 2009. (Department Exhibit 5-9)

(4) On April 9, 2009, the department received a hearing request from the claimant, contesting the department's negative action.

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).

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.

DEPARTMENT PHILOSOPHY

The Department's income budgeting policies are designed to support financial self-sufficiency by encouraging families to pursue all available means of income. We offer deductions from earned income so that families are financially advantaged by working. Staff should stress to clients the advantages of obtaining outside income. PEM, Item 518, p. 1.

Standard Monthly Amount

Stable and Fluctuating Income

A standard monthly amount must be determined for each income source used in the budget.

Convert stable and fluctuating income that is received more often than monthly to a standard monthly amount. Use one of the following methods:

- . Multiply weekly income by 4.3.
- . Multiply amounts received every two weeks by 2.15.
- . Add amounts received twice a month.

This conversion takes into account fluctuations due to the number of scheduled pays in a month.

Exception: Do not convert income for the month income starts or stops if a full month's income is not expected in that month. Use actual income received or income expected to be received in these months. PEM, Item 505, p. 7.

In the instant case, the claimant receives [REDACTED] in RSDI income per month and she also receives \$650 in earned income per month. After the required program discounts for earned and unearned income, the claimant had a countable income of [REDACTED]. The income limit for the MSP is [REDACTED]. The claimant was \$170 over the income limit, which resulted in her no longer being eligible for the MSP.

Therefore, the Administrative Law Judge must find that the department has established that it was acting in compliance with department policy when the determination was made that the claimant had excess income for eligibility for the MSP.

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 had excess income for the MSP, which resulted in her MSP benefits being cancelled.

Accordingly, the department's decision is **AFFIRMED**.

/s/ _____
Carmen G. Fahie
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: January 8, 2010

Date Mailed: January 11, 2010

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.

CGF/vmc

cc:

