

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: 2009-24678
Issue No: 2014
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
September 9, 2009
Midland 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 Wednesday, September 9, 2009. The claimant personally appeared and testified on her own behalf.

ISSUE

Did the department properly determine the claimant's children's eligibility for Medical Assistance (MA)?

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 MA with Healthy Kids MA for her three children with an eligibility review March 2009.

(2) On March 23, 2009, the claimant submitted a review application with pay stubs for her husband and her unemployment stubs. (Department Exhibit 1-6)

(3) On April 13, 2009, the DHS caseworker calculated the claimant's continued eligibility for Healthy Kids Group 2 MA coverage. (Department Exhibit 9-12)

- The claimant's husband has an earned income of \$2,787 per month.
- The claimant receives \$203.71 in child support for one her daughter's. (Department Exhibit 7)
- The claimant receives \$608 in unearned income from Unemployment Compensation Benefits (UCB). (Department Exhibit 4-6)
- The claimant had a net earned income of \$2,697, resulting from a \$90 work expense deduction from \$2,787.
- The claimant has three dependents, resulting a prorate divisor of 5.9 with a prorated share of \$457, from the claimant's net income of \$2,697.
- The claimant and her husband have two children in common. The claimant has another child from a previous relationship that still qualified for the Healthy Kids Group 2 MA program.
- The claimant's unearned income of \$608 with four dependents resulted in a prorate divisor of 6.9 and a prorated share of \$88.
- The claimant's children, J and B shared in common with the claimant's husband of \$1,782, resulting from the prorated share of \$457 times the 3.9 multiplier, and the claimant's \$88 prorated share times the 3.9 multiplier for \$343 and the parent/spouse share of \$545, resulting in a fiscal group net income of \$2,670 for each child.
- The claimant's Child J who was over one year old had a net income of \$2,670 which exceeded the 150% income limit for Healthy Kids Group 2 MA of \$2,289 by \$381.
- The claimant's Child B who was under one year old and also had a net income of \$2,670 was under the 185% limit because of age of \$2,823 and qualified for Healthy Kids.

(4) On April 13, 2009, the department caseworker sent the claimant a notice that Child A and B, Healthy Kids medical coverage would continue, but Child J no longer qualified for Healthy Kids effective April 25, 2009 because the claimant's countable income exceeded the limit for Healthy Kids. (Department Exhibit 13)

(5) On April 23, 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.

MA GROUP COMPOSITION

DEPARTMENT POLICY

LIF

Group composition policy for Low-Income Families (LIF) is in PEM 110. Do not use the policy in this item to determine group composition for LIF. PEM, Item 211, p. 1.

Group 2 FIP-Related MA, Healthy Kids and SSI-Related MA

Use fiscal groups and, for SSI-related MA, Group 2 Persons Under Age 21 and Group 2 Caretaker Relative, asset groups to determine the financial eligibility of a person who requests MA and meets all the non-financial eligibility factors for an MA category.

Individual family members may be eligible under different MA categories. You must explore all categories for each person who requests MA. See "CHOICE OF CATEGORY" in PEM 105. PEM 211, p. 1.

The Administrative Law Judge has reviewed the record and exhibits and finds that the fiscal group's net income after being provided with appropriate earned and unearned income deductions is \$2,670 for Child J who is over the age of one. To be eligible for Healthy Kids, the net income has to be \$2,289 for which the net income for Child J is \$2,670 resulting in excess income for Child J. Child B is under one year of age which has a 185% limit of \$2,823, of which the \$2,670 net income is below that limit. The claimant's Child A from a previous relationship has a net income of \$496, which is below the 150% for her age of \$1,822. As a result, Child A and B qualify for Healthy Kids, but Child J had excess income.

Therefore, the Administrative Law Judge must find that the department has established that it was acting in compliance with department policy when a determination was made that Child J had excess income for purposes of Healthy Kids Group 2 MA.

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 Child J had excess income for Healthy Kids Group 2 MA.

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

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

Date Signed: October 30, 2009

Date Mailed: October 30, 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.

CGF/vmc

cc:

