

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: 2009-33544  
Issue No: 2026; 3002  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
November 3, 2009  
Wexford County DHS

ADMINISTRATIVE LAW JUDGE: Gary F. Heisler

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 hearing was held on November 3, 2009. Claimant and his spouse appeared and testified.

ISSUES

- (1) Did the Department of Human Services properly determine that Claimant's Medical Assistance (MA) should be a deductible case?
- (2) Did the Department of Human Services properly close Claimant's Food Assistance Program (FAP) case 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) Claimant was an ongoing recipient of Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

(2) In February, 2009 Claimant stopped receiving Supplemental Security Income (SSI) benefits and began receiving Retirement, Survivors, Disability Insurance (RSDI) benefits. Mistakenly, Claimant's Medical Assistance (MA) continued as full coverage Medicaid.

(3) On June 30, 2009, a Bridges' mass update eligibility determination occurred and Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) cases were closed.

(4) On July 7, 2009, Claimant's eligibility was re-determined. Claimant was sent notice he was not eligible for Food Assistance Program (FAP) benefits due to excess income and that his Medical Assistance (MA) was a deductible case.

(5) On July 8, 2009, Claimant submitted a request for hearing.

#### 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).

During the hearing Claimant and his spouse repeatedly voiced the concern that the amount of income used in the budgets was wrong. It was repeatedly explained to Claimant and his spouse that their personal monthly budget calculations were not going to be used in the determination of their eligibility for benefits.

In this case, Claimant's disability makes him eligible for Medical Assistance (MA) benefits under Medicaid. When Claimant was receiving Supplemental Security Income (SSI) he was eligible for full Medicaid coverage. When the Federal Government changed Claimant's benefits to Retirement, Survivors, Disability Insurance (RSDI) the type of Medical Assistance (MA) benefits he is eligible for through the Department of Human Services becomes a question of financial eligibility. Bridges Eligibility Manual (BAM) items 530 & 541 govern income budgeting for Medical Assistance (MA).

In this case, Claimant's countable income is \$1754 which exceeds the \$1279 income limits and he is only eligible for a deductible Medical Assistance (MA) case. The deductible amount is determined by subtracting Claimant's protected income limit (BEM 544) from Claimant's countable income. In this case Claimant has \$1279 more income than his protected income limit of \$475. Claimant has a monthly \$1279 deductible amount before medical expenses will be paid under Medicaid through the Department of Human Services. Claimant should consult with the Social Security Administration to determine if he is eligible for medical benefits under Medicare.

When determining eligibility for Food Assistance Program (FAP) benefits in accordance with Department policy, the total income of the household must be evaluated. All earned and

unearned income of each household member must be included, unless specifically excluded. Bridges Eligibility Manual, Item 500. The Food Assistance Program (FAP) program provides a deduction from earned income and a deduction for the cost of child care when necessary to enable a Food Assistance Program (FAP) household member to work. A standard deduction from income is allowed for each household. The amount of the standard deduction depends on the number of members in the household. Certain non-reimbursable medical expenses may be deducted for senior/disabled/veteran group members.

Another deduction from income is provided if monthly shelter costs are in excess of 50% of the household's income, after all of the other deductions have been allowed. There is a maximum deduction for households that do not contain a member classified as a senior, disabled, or veteran. Bridges Eligibility Manual, Items 500 and 554; Program Reference Manual, Table 255; 7 CFR 273.2.

In this case, the Administrative Law Judge has reviewed the Food Assistance Program (FAP) budget and finds that the department properly computed the claimant's net income and expenses. The federal regulations at 7 CFR 273.10 provide standards for the amount of a household's benefits. The department in compliance with the federal regulations has prepared income limit and issuance tables which are set forth at Program Reference Manual, Tables 250 & 260. The tables provide that a household with household size and net income of the claimant's is not eligible for a Food Assistance Program (FAP) allotment.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides the Department of Human Services properly determined that Claimant's Medical

Assistance (MA) should be a deductible case. It is also decided that the Department of Human Services properly closed Claimant's Food Assistance Program (FAP) case due to excess income.

It is ORDERED that the actions of the Department of Human Services, in this matter, are UPHELD.

/s/  
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Gary F. Heisler  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: November 23, 2009

Date Mailed: December 8, 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 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.

GFH 

cc:

