

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: 2009-36494
Issue No: 3003, 2013
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
November 22, 2009
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Jeanne M. VanderHeide

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted on October 22, 2009. The Claimant appeared and testified. Claimant's friend, [REDACTED], was present. Colleen Corey, AP Supervisor and Denise Andrews, ES, appeared on behalf of the Department.

ISSUE

Whether the Department properly computed the Claimant's Food Assistance Program ("FAP") benefits and Medical Assistance ("MA") benefits effective June and July, 2009?

FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds a material fact:

1. The Claimant was an active FAP recipient in June of 2009.
2. A new food assistance budget was compiled dated June, 2009. The Department did not provide copies of said budget at the hearing.

3. Claimant testified that she received \$584.00 every two weeks in unemployment compensation.
4. Claimant testified that her two pay stubs prior to the June, 2009 budget were in the amounts of \$252.00 and \$77.00 and were biweekly.
5. In addition, Claimant testified that she received child support as follows:
 - a. May, 2009 - \$424.60
 - b. June, 2009 - \$533.00
 - c. July, 2009 - \$424.65
6. In July of 2009, the Claimant applied for MA benefits for herself.
7. Claimant testified that she has a household group of two (2) persons.
8. Claimant testified that she has rent expenses in the amount of \$770.00 per month.
9. The Claimant testified that her rental obligation at the time of application was \$770.00/month
10. Following the June, 2009 budget, monthly FAP benefits were calculated in the amount of \$16.00/month. (Exhibit 1, p. 2).
11. A FIP based MA budget was calculated in July of 2009.
12. Following the July, 2009 MA budget, a monthly MA deductible was calculated in the amount of \$563.00.
13. Claimant objected to the FAP and MA calculations and filed this appeal. The Department received the Claimant's Request for Hearing on September 23, 2009.

CONCLUSIONS OF LAW

A. Medical Assistance Program

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, formally 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 goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. PEM 105, p. 1. Medicaid is also known as Medical Assistance (“MA”). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP related or SSI related. *Id.* To receive MA under an SSI related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP related categories. *Id.*

In order to determine Group 2 FIP Related MA and Healthy Kids MA \$90 is deducted from the countable earnings of each fiscal group member with earnings. Then another \$30.00 is deducted plus 1/3 of a fiscal group member’s remaining earned income if the member receipt FIP or LIF in at least 1 or 4 calendar months preceding the month being tested. There are also deductibles applied for dependent care expenses, and child support paid. The next step is to determine the prorate divisor (2.9 is added to the number of dependents) which determines the individual’s prorated share. The group’s net income is then divided by the prorate divisor. The result is the prorated share of the fiscal group member’s income for purposes of determining the member’s eligibility. PEM 536, pp. 3-4. Income eligibility exists for a person requesting MA when the net income of the person’s fiscal group does not exceed the appropriate poverty level in

RFT 246 and if the individual income is below the monthly protected income level by shelter area. RFT 200.

In the subject case, Claimant had \$2069 gross income per month from unemployment (\$584 biweekly), wages (\$323.00/month) and child support (\$460.75 average per month - \$50.00 offset) = \$1813 adjusted gross income which is then divided by 2.9 + 1 dependant = \$464.00/month as Claimant's prorated share. The prorated share multiplied by 2.9 = \$1345.60. Claimant's protected income level per RFT 200 is \$541.00 and Claimant's prorated share is \$804.65 over the protected income level. Therefore, Claimant's deductible would be \$804.65. It is unknown how the Department arrived at a spend-down of \$563.00/month as no budgets were provided. Based upon the foregoing facts and relevant law and due to this Administrative Law Judge calculating the spend-down to be greater than the Department's analysis, it is found that the Department's determination is AFFIRMED.

B. Food Assistance Program

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/BEM 550. Under 7 CFR 273.9, as amended, \$135.00 is deducted from the gross income of FAP recipients in determining

FAP grants. Under 7 CFR 273.9 deductions for excess shelter are also made. PEM/BEM 554.

Id. There is a standard heat and utility deduction as well as a standard deduction for telephone bills. Id. The standard deductions are a set amount that is applied regardless of the actual expenses incurred by the Claimant.

When calculating the benefit amount, according to PEM/BEM 556, the Shelter set offs are added together to equal A. The income after deductions is divided by two and equals B. $A - B = C$. The lesser of C or the maximum shelter amount set forth in RFT 255 will be deducted from the reduced income in determining the final net amount. The amount of food assistance allotment is established by regulations at 7 CFR 273.10 based on a group's net income.

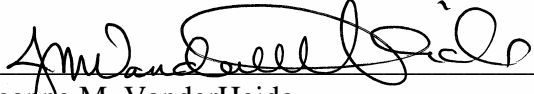
In the present case, according to the aforementioned policy on budgeting, Claimant's shelter costs equal $\$770 + \$550 = \$1320.00$ (A). 50% of the income less deductions = $\$864.00$ (B). $(A - \$1320) - (B - \$864) = \$456.00$. Claimant, therefore, has a net monthly income of $\$1393.00$. This was obtained by subtracting the standard deduction of $\$135.00$ and the excess shelter amount of $\$456.00$ from the gross income of $\$1,984.00$. A household of two people with a net monthly income of $\$1393.00$ is entitled to a monthly FAP grant of $\$16.00$ per month. RFT 260.

Claimant noted that she does not have enough money on which to live. The undersigned appreciates that economic times are difficult, but finds that the Department properly calculated benefits. Based upon the foregoing facts and relevant law, it is found that the Department's determination is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department's 7/9/09 MA spend-down amount is AFFIRMED.

Furthermore, based upon the above findings of fact and conclusions of law, the Administrative Law Judge finds that the Department's properly calculated Claimant's FAP benefits and the 6/09 FAP benefit award is AFFIRMED.



Jeanne M. VanderHeide
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 12/08/09

Date Mailed: 12/11/09

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 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.

JV/dj

cc:

