

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.: 2010-16599  
Issue No.: 2027  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
June 9, 2010  
Wayne County DHS (76)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 conducted from Detroit, Michigan on June 9, 2010. Claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, and [REDACTED] [REDACTED] Manager, appeared and testified.

ISSUE

Whether DHS properly terminated Claimant's Medical Assistance benefits through SSI following Claimant's termination of federal SSI eligibility.

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 MA recipient.
2. Claimant's MA eligibility was based on being a federal SSI recipient.

3. Claimant's federal SSI benefits were terminated in 12/2009 due to income Claimant allegedly failed to report.
4. DHS terminated Claimant's MA coverage in 1/2010 due to Claimant's termination of federal SSI benefits.
5. DHS did not reconsider Claimant's continued MA eligibility based on disability.
6. Claimant submitted a hearing request on 1/12/10 regarding termination of her MA benefits.

#### 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 (formerly 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The State Supplementary Security Income program was established pursuant to Title XVI of the Social Security Act in 42 USC 1381, *et seq.*, and implemented by the provisions of Title 20 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the State SSI program pursuant to 2002 PA 529, MCL 400.10, *et seq.*, and by agreement between the State of Michigan and the United States Secretary of Health and Human Services (Secretary). Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Supplemental Security Income (SSI) is a cash benefit for needy individuals who are aged (at least 65), blind or disabled. The Social Security Administration (SSA) determines SSI eligibility. BEM 150 at 1. In Michigan, DHS supplements federal SSI payments based on the client's living arrangement. *Id.*

Clients can receive MA benefits through a variety of ways. MA benefits are automatic for clients who are federal SSI recipients. BEM 150. Clients can also receive MA benefits by establishing disability. BEM 260.

Generally, clients that are not receiving SSI benefits from SSA are not eligible to receive State of Michigan SSI benefits. The only DHS clients who are considered SSI recipients despite not receiving SSI income are: clients appealing termination of federal SSI benefits because SSA found that the client is no longer disabled and certain clients that are not eligible to receive SSI because of employment income. There are no other exceptions. *Id.* Claimant's circumstances do not meet either of the aforementioned exceptions. Thus, Claimant cannot continue to receive MA benefits as an SSI recipient.

Claimant's federal SSI benefits were terminated due to alleged income Claimant received from a rental property. The SSI benefits termination was based on a financial factor, not one of disability. The above finding does not necessarily mean that Claimant could not continue MA benefits for a reason other than being an SSI recipient.

BEM 260 covers DHS policy for Medical Assistance based on disability; it states that federal SSI benefits that are terminated due to financial factors should not result in termination of medical coverage if the client continues to meet financial eligibility factors. BEM 260 at 1. It further states that MRT decisions are not initially required to continue MA eligibility. *Id.* For clients that meet the ongoing financial eligibility factors, DHS should schedule the MA medical

review for one year following the date of SSI termination. DHS concedes not making such a determination for Claimant. It is found that DHS failed to consider Claimant's ongoing MA eligibility based on her already established disability as a former SSI recipient terminated due to a financial factor.

DECISION AND ORDER

The actions taken by DHS are REVERSED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's Medical Assistance through SSI eligibility but failed to consider Claimant's continued MA eligibility through disability. It is ordered that DHS recalculate Claimant's MA eligibility from the date of MA closure based solely on financial eligibility factors. It is further ordered that DHS not require MRT approval for Claimant's initial MA benefit eligibility.



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Christian Gardocki  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 6/15/2010

Date Mailed: 6/15/2010

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 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.

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cc:

