

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.: 2010-17015

Issue No.: 3002, 2026

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

March 4, 2010

Wayne 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 March 4, 2010. The Claimant's husband, [REDACTED], appeared and testified. [REDACTED], Eligibility Specialist, appeared on behalf of the Department.

ISSUE

Whether the Department properly computed the Claimant's Food Assistance ("FAP") benefits effective 1/7/10?

Whether the Department properly terminated the Claimant's Medical Assistance ("MA") benefits after three months of inactivity and whether the Department properly calculated Claimant's MA spend down?

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 and MA recipient who went through an annual review on 1/7/10.
2. A Food Assistance Budget was compiled as a part of the review which resulted in a reduction in FAP benefits to \$525.00. (Exhibit III).
3. Claimant reported a household group of five (5) people.
4. Claimant testified that he had unearned income from unemployment compensation in the amount of \$708.00 every two weeks.
5. The Claimant testified that the mortgage is \$420.56 per month inclusive of taxes and insurance. Claimant is also responsible for utilities in the home.
6. Claimant testified that he does not have any additional regularly incurred medical bills.
7. Claimant and his wife were also approved for a MA with a \$186.00 spend down. However, after three months of not having sufficient expenses to qualify for MA, the MA was cancelled effective January, 2010.
8. Claimant submitted medical expenses in February of 2010 and was informed that his new monthly spend down is \$241.00.
9. Claimant objected to the FAP and MA calculation and filed this appeal. The Department received the Claimant's Request for Hearing on January 21, 2010.

#### CONCLUSIONS OF LAW

##### A. **FAP**

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, \$170.00 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.

The Administrative Law Judge has personally reviewed the FAP calculation, including shelter deductions and finds that the Department properly calculated benefits. Based upon the foregoing facts and relevant law, it is found that the Department’s FAP determination is **AFFIRMED**.

**B. MA**

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 Bridges Administrative Manual (“BAM”), the Bridges Eligibility Manual (“BEM”), and the Reference Tables (“RFT”).

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.*

There are various SSI related categories under which one can qualify for MA benefits. PEM 150-174. The MA regulations also divide MA recipients into Group 1 and Group 2 which relate to financial eligibility factors. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. PEM 105, p. 1. The income limits vary by category and are for non-medical needs such as food and shelter. *Id.* Medical expenses are not used when determining eligibility for FIP and SSI related Group 1

categories. *Id.* For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. *Id.*

Eligibility for active deductible cases should be redetermined at least every 12 months unless the group has not met its deductible within the past three months. If a group has not met its deductible in at least one of the three calendar months before that month, the case will automatically close. BEM 545, p. 10.

In the present case, Claimant did not meet his deductible for three months and so the case was automatically closed pursuant to BEM 545. Claimant submitted receipts and the Department appropriately reopened a new MA deductible case for Claimant. The Department did not submit a MA budget into evidence, however, so it is unclear how the deductible was calculated. Accordingly, the Department shall recalculate Claimant's MA spend down and determine if Claimant had sufficient medical expenses to qualify for Medicaid for the months of February and March of 2010.

#### DECISION AND ORDER

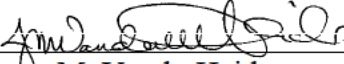
The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly calculated the Claimant's FAP allotment. Accordingly, the Department's FAP eligibility determination is AFFIRMED.

Furthermore, the Administrative Law Judge finds insufficient evidence to support the Department's MA calculation.

Accordingly, it is ORDERED

1. That the Department recalculate Claimant's MA spend down given the information set forth above.

2. The Department shall then determine whether Claimant had sufficient medical expenses which would qualify him for MA during the months of February and March of 2010.

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

Date Signed: April 2, 2010

Date Mailed: April 2, 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.

JV/hw

cc:

