

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 2010-18092
Issue No: 2019-3003
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
July 21, 2010
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Jonathan W. Owens

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 July 21, 2010.

ISSUE

Did the Department of Human Services (Department) properly determine the Claimant's spend-down and Food Assistance Program (FAP) benefits?

FINDINGS OF FACT

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

1. On January 14, 2010, a new budget was run with unemployment benefits. This resulted in a reduction in FAP benefits and caused the Claimant to have a MA spend-down.
2. The Claimant filed a request for hearing.

CONCLUSIONS OF LAW

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) 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).

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 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 general, the terms Group 1 and Group 2 relate to financial eligibility factors. PEM 155 through 174 describe SSI-related categories. PEM 105, p. 1 Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. *Id.* 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.* Extended-Care benefits is an SSI-related Group 1 MA category.

FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. *Id.* Eligibility is determined on a calendar month basis. PEM 105, p. 2 Individuals that are aged (65 or older) blind or disabled fall under the SSI-related Group 2 MA category. PEM 166, p. 1

As noted above, Extended-Care is an SSI-related Group 1 MA category that is available only to L/H and waiver clients who are aged (65 or older), blind, or disabled and whose gross income does not exceed \$1,869.00 for 2007, and \$1,911.00 for 2008. PEM 164, p. 2 L/H patient is a MA client who was in the hospital and/or LTC facility in a calendar month containing at least one day that is part of a period in which a person was (or is expected to be) in a LTC facility and/or hospital for at least 30 consecutive days and the person was not a waiver patient. PRG Glossary, p. 22 Countable income may be more than the amount a person actually receives because it is the amount before any deductions including deductions for taxes and garnishments. PEM 500, p. 1 Court ordered child support is not deducted from income in determining Extended-Care eligibility. PEM 164, p. 2; PEM 541, p. 1. The patient allowance for clients who are in, or expected to be in, a LTC and/or hospital the entire L/H month is \$60.00. PEM 546, p. 1

Assets must be considered in determining MA eligibility. PEM 400, p. 1 Assets are cash and any other personal and/or real property. *Id.* Countable assets must be

available and cannot exceed the applicable asset limit. PEM 400, pp. 1, 6 Available means that someone in the asset group has the legal right to use or dispose of the asset. PEM 400, p. 6

Income eligibility for Group 2 MA exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. PEM 545, p. 1 The fiscal group's monthly excess income is called a deductible amount. PEM 545, p. 9 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.*

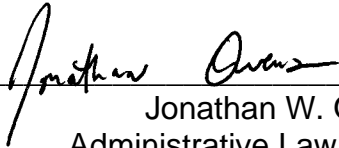
In the present case, the Department determined the Claimant's spousal share of income to be \$713 a month. The income limit for two adult group size is \$541. This results in a \$172 spend-down for the Claimant's case. This Administrative Law Judge reviewed the budgets completed by the Department and finds the income and deductions were appropriately determined. Therefore, the Claimant's case was correctly determined to be a spend-down.

The Claimant also contested the amount of her FAP benefits. The Department ran a budget and determined, based on the unemployment income, the Claimants countable adjusted gross income was \$1468 a month. The Department then deducted from this amount the reported shelter costs finally determining a FAP benefit of \$649. After reviewing the budgets submitted for consideration, this Administrative Law Judge finds the amounts used to be correct and the FAP benefit amount determined by the Department to be correct.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly determined both the Claimant's FAP benefits and MA benefits.

Accordingly, the Department's decision is hereby UPHeld.


Jonathan W. Owens
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 08/10/10

Date Mailed: 08/10/10

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 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.

JWO/dj

cc:

