

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: 2010-32079  
Issue No: 2021; 2026; 3015  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
May 20, 2010  
St. Clair County DHS

ADMINISTRATIVE LAW JUDGE: Jana B. Bachman

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 held on May 20, 2010.

ISSUE

Whether the department properly determined claimant's eligibility for Medical Assistance (MA) 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 material fact:

(1) December 23, 2009, claimant applied for Medical Assistance and Food Assistance Program.

(2) March 3, 2010, the department prepared an MA budget. Claimant's total countable income for MA purposes was [REDACTED] consisting of claimant's [REDACTED], and claimant's [REDACTED] payment. A standard [REDACTED] exclusion was included, leaving net unearned income for MA purposes of [REDACTED]. Claimant's [REDACTED] were deducted in the amount of [REDACTED]. After all allowable deductions were taken, claimant's countable income was [REDACTED]. Protected income level for claimant's household was [REDACTED] leaving a monthly deductible of [REDACTED]. (Department Exhibit A, pages 8-14, 22.)

(3) Claimant is sole owner of an [REDACTED] Account that was valued at [REDACTED] as of November 30, 2009. (Department Exhibit A.) The department did not determine whether these assets were available and countable for MA purposes.

(4) March 3, 2010, the department prepare a FAP budget. Claimant's total countable income for FAP purposes was [REDACTED]. The gross income limit for claimant's household was [REDACTED]. Accordingly, claimant does not qualify for Food Assistance Program. (Department Exhibit A, pages 19-21.)

#### 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 Bridges Administrative Manual (BAM), the Bridges Program Eligibility Manual (BEM) 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRT).

Department manuals provide the following policy statements and instructions for caseworkers:

When determining eligibility for MA, the household's total income must be evaluated. All earned and unearned income of each household member must be included unless specifically excluded. Social Security Benefits and Retirement Payments are not excluded unless be counted when determining MA eligibility. The MA program provides for a standard [REDACTED] deduction from unearned income. A deduction may be included for expenses that enable an impaired blind person to work and for guardianship or conservatorship. See Bridges Eligibility Manual (BEM) 500, 541.

Federal regulations at 42 CFR 435.811, .814, .831 (C)(I) and .1007 provides standards for MA eligibility. The department, in compliance with these regulations has prepared income tables that are set forth at Reference Table (RFT) 240 and specify the amount of income a household must have to qualify for MA. These maximum limits are referred to as protected income levels. The policy provides for additions to the protected income level. An addition is allowed as the individual or household pays health insurance premiums. An addition may also be made for the cost of services. BEM 544.

Monthly deductible is processed by which a person or household with excess income may qualify for MA coverage. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the monthly deductible amount for calendar month being tested. The group must report expenses by the last day of the third month following the month it wants coverage. Medical expenses may be allowed when: (a) the expenses are incurred by an MA group member; and (b) the MA individual or household is responsible for payment, and (c) when they have not previously been used meet a monthly deductible. The bills may be older and expensive. BEM 545.

In this case, the Administrative Law Judge has examined the record and the department policy and finds that the department correctly calculated claimant's countable income and protected income level for MA purposes. At hearing, claimant asserted that payments made to [REDACTED] and for other expenses should not be included in his countable income. This assertion is not consistent with department policy. See policy discussion above. Therefore, the department's action must be upheld. (Finding of Fact #2.)

It is noted that claimant reported and verified assets that are in excess of department policy. The department did not determine whether claimant's assets were countable for MA purposes. This would appear to impact claimant's eligibility for MA. (Finding of Fact #3.)

When determining eligibility for FAP, all income must be included unless it is specifically excluded. Social Security benefits and retirement benefits are not excluded and must be counted when determining FAP eligibility. The FAP program provides for a deduction from earned income of 20% and a deduction for the cost of child care when necessary to enable a FAP household member to work. A standard deduction of [REDACTED] is allowed for each household. Certain nonreimbursable medical expenses over [REDACTED] per month may be deducted for

senior/disabled/veteran group members. Another deduction is provided if monthly shelter costs are in excess of 50% of the household's income after all other deductions have been allowed.

Bridges Eligibility Manual 500, 550, 554; Program Reference Table (RFT) 255; 7 CFR 273.2.

The federal regulations set forth at 7 CFR 273.10 provides the standards for the amount of a household's benefits. The department, in compliance with these regulations, has prepared issuance tables that are set forth at Program Reference Table (PRT) 260. RFT 260 provides that a household of two living in [REDACTED] with unearned income for FAP purposes of [REDACTED] is not eligible for FAP. At hearing, claimant asserted that income paid out in [REDACTED] [REDACTED] and other expenses should not be included when determining his eligibility for FAP. This assertion is not consistent with department policy. See discussion above. Finding of Fact #1 to #4.)

Accordingly, the department's action must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department of Human Services acted in compliance with department policy when it determined claimant's eligibility for Food Assistance Program benefits and the department properly determined claimant's monthly deductible for Medical Assistance.

Accordingly, the department's action is hereby UPHELD.

/s/ \_\_\_\_\_  
Jana B. Bachman  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: July 19, 2010

Date Mailed: July 20, 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 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.

JBB/tg

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