

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.: 2010-4056
Issue No.: 2026/3002
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
May 3, 2010
Oakland County DHS (2)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 hearing. After due notice, a hearing was held in Madison Heights, Michigan on Monday, May 3, 2010. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department.

ISSUE

1. Whether the Department properly denied the Claimant's Food Assistance ("FAP") benefits due to excess income?
2. Whether the Department properly calculated and notified the Claimant of the Medical Assistance ("MA") deductible based upon excess income?

FINDINGS OF FACT

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

1. The Claimant was a FAP and MA recipient.
2. The Department reviewed the Claimant's continued eligibility for FAP and MA benefits.

3. Based on the SOLQ, the Claimant receives \$1,944.50/month in Retirement, Survivors, Disability Insurance (“RSDI”) income. (Exhibit 2)
4. The Claimant pays \$96.50/month for the Part B Medicare premium. (Exhibit 2)
5. The Claimant was denied FAP benefits due to excess income. (Exhibit 1, p. 5, 6)
6. The Claimant was approved for MA provided a \$1,419.00 deductible was met. (Exhibit 1, p. 1)
7. The Department notified the Claimant of the determinations.
8. On October 6, 2009, the Department received the Claimant’s written request for hearing protesting the denial of food benefits and the MA deductible.

CONCLUSIONS OF LAW

In the record presented, the Claimant requested a hearing regarding the denial of FAP benefits as well as the MA deductible amount. Each program will be addressed separately.

FAP benefits

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”), formerly 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”)/Bridges Administrative Manual (“BEM”), the Program Eligibility Manual (“PEM”)/Bridges Eligibility Manual (“BEM”), and the Program Reference Manual (“PRM”)/Bridges Reference Manual (“BRM”).

All countable earned and unearned income available to the client must be considered in determining the Claimant’s eligibility for program benefits. PEM 500 The amount of income

counted 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/BEM 500 In determining eligibility, an individual's monthly gross income cannot be more than the established gross income limit. *Id.* The Gross Income Limit in September 2009 was \$1,127.00. (See Reference Manual-RFT 250)

In this case, the department properly considered the Claimant's RSDI income when determining FAP eligibility. The Claimant asserted that she did not received the \$1,944.50, as reported by the SOLQ, because the Part B insurance premium is deducted as well as a garnishment for some disputed school loans. The Claimant testified that she receives approximately \$1,560.00/month. This amount is not the gross amount but rather the net amount after Part B insurance premium and garnishment are deducted. As noted above, policy requires that an individual's gross income is used, not the net, for determining eligibility. The gross income limit for a group size of one in September 2009 was \$1,127.00. The Claimant's gross (and net) income was higher than the gross income limit. Under the facts presented, the Department established it acted in accordance with department policy when it denied the Claimant's FAP benefits due to excess income.

MA Benefits

The Medical Assistance ("MA") program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the DHS pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the PAM/BAM, PEM/BAM, and PRM/BRM.

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 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.*

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 MA income eligibility 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 The fiscal group’s monthly excess income is called a deductible amount. PEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.*

In this case, the Claimant disagreed with the figures used in determining MA eligibility. The Claimant contends that the “State” is improperly garnishing her RSDI income for purportedly defaulted student loan(s). In determining eligibility, the Department considers gross earning prior to any deductions. During the hearing, the Claimant wanted to address the garnishment but was informed that the DHS does not control or have any input regarding the SSA garnishment decisions. Ultimately, the Department acted in accordance with Department policy when it calculated the Claimant’s MA budget thus the Department’s MA determination is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department's FAP and MA determinations are AFFIRMED.

Accordingly, it is ORDERED:

1. The Department's FAP determination is AFFIRMED.
2. The Department's MA determination is AFFIRMED.

Colleen M. Mamelka

Colleen M. Mamelka
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: 5/12/2010

Date Mailed: 5/12/2010

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.

CMM/jlg

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