

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

IN THE MATTER:



Reg No. 200946235  
Issue No. 2026/3015  
Case No. [REDACTED]  
Load No. [REDACTED]  
Hearing Date: October 21, 2010  
Genesee County DHS

**ADMINISTRATIVE LAW JUDGE:** Jana A. 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, an in-person hearing was held on October 21, 2010.

**ISSUE**

Whether the Department of Human Services (department) acted in compliance with department policy when it 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. During July 2010, claimant and spouse were recipients of MA. The assistance was due for review.
2. July 17, 2010, the department prepared an MA budget. Total countable income was [REDACTED] consisting of claimant's and spouse's monthly [REDACTED] benefits. A standard [REDACTED] deduction from unearned income was included, leaving countable income for MA purposes of [REDACTED]. The Protected Income Level for MA purposes for the household is [REDACTED]. Income of [REDACTED] less the Protected Income Level of [REDACTED] leaves a monthly deductible of [REDACTED]. Department Exhibit A, pgs 1-2, 15-20.

3. On or about August 6, 2010, the department entered claimant's monthly deductible of [REDACTED] on to the computer system. Department Exhibit A, pg 7.
4. On or about July 17, 2010, the department prepared a FAP budget. The household's income was [REDACTED] consisting of claimant's and spouse's monthly [REDACTED] income and Family Independence Program (FIP) benefits received on behalf of their grandson. A standard [REDACTED] deduction from unearned income was included, leaving countable income for FAP purposes of [REDACTED]. Claimant had excess income to qualify. Department Exhibit A, pgs 23-24.

### **CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by the 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 Program Reference Manual (PRM).

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

When determining eligibility for SSI-related MA, the fiscal and asset group consist of the adult and the adult's spouse. The group's total income must be evaluated. All earned and unearned income of each group member must be included unless specifically excluded. Social Security benefits are not excluded and must be counted when determining MA eligibility. The MA program provides for a standard \$20.00 deduction from unearned income. \$65.00 + ½ of earned income is deducted. A deduction may be included for expenses that enable an impaired or blind person to work and for guardianship or conservatorship fees. An allocation from income may be made to non-SSI children living with the household. Bridges Eligibility Manual (BEM) 211, 500, 541; Social Security Act, Sections 1902(a)(10),(17); MCL 400.106.

Federal regulations at 42 CFR 435.811, .814, .831(C)(I), and .1007 provide 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 may have to qualify for MA. These maximum income limits are referred to as the protected income levels. MA policy provides for additions to the protected income level. An addition is allowed if the individual or household pays health insurance

premiums. An addition may also be made for the cost of remedial services. BEM 544.

Monthly deductible is a process 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 the calendar month being tested. The group must report expenses by the last day of the third month following the month it wants MA 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 to meet a monthly deductible. The bills may be old or new expenses. 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 fiscal and asset group, countable income, and protected income level. Claimant's grandson is not included in the claimant's MA group. Grandson's income is not included when determining MA eligibility for claimant and spouse. As well, claimant's income is not included when determining MA eligibility for grandson. For MA purposes, claimant and spouse compose a group of 2 adults. The adults' countable income for MA purposes is [REDACTED] and they have a protected income level for MA purposes of [REDACTED]. The monthly deductible is [REDACTED]. Finding of Fact 1-3. Therefore, the department's action must be upheld.

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 Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

When determining eligibility for FAP, household composition must be determined. Included in the same FAP group are an individual, the individual's spouse, and children under the age of 18 years who live with the individual and for whom the individual acts as a parent, but is not a legal parent. BEM 212; 7 CFR 273.1.

All the household's income must be included unless it is specifically excluded. [REDACTED] benefits and FIP 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 from income of [REDACTED] is allowed for each household. Certain non-

reimbursable medical expenses above \$ [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 the other deductions have been allowed. BEM 500, 550, 554; Program Reference Table (RFT) 255; 7 CFR 273.2.

In this case, the Administrative Law Judge has examined the record and finds that the department properly calculated claimant's FAP household size, countable FAP income, and benefit. For FAP purposes, the group is a household of 3, consisting of claimant, claimant's spouse, and claimant's grandson. Countable income of all three group members was included when the FAP budget was prepared. The gross income limit to qualify for benefits for a group of three is [REDACTED]. Finding of Fact 4; RFT 250. Claimant's gross income was [REDACTED]. The group had gross income for FAP purposes that was [REDACTED] in excess of the maximum limit to qualify. Finding of Fact 4. Accordingly, the department has met its burden of proof and its action must be upheld.

At hearing, claimant asserted that his grandson's eligibility for FIP put them over the maximum FAP limit and so, the department was wrong to grant the FIP. This view is not consistent with department policy and the facts of the case as discussed above. Claimant's grandson's FIP assistance is [REDACTED] per month. Claimant's excess income to qualify for FAP is [REDACTED]. Accordingly, the FIP grant did not cause the excess income. Without the FIP grant, the household would still have excess income to qualify for FAP. Finding of Fact 4; RFT 250.

### **DECISION AND ORDER**

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

Accordingly, the department's action is, hereby, UPHELD.

/S/

Jana A. Bachman  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: December 10, 2010

Date Mailed: December 13, 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.

JAB/db

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