

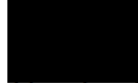
STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 201046671

Issue No: 2014, 6019



Hearing Date:  
September 29, 2010  
Genesee County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on July 19, 2010. After due notice, a telephone hearing was held on Wednesday, September 29, 2010.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA) and Child Development and Care (CDC) eligibility?

**FINDINGS OF FACT**

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

1. The Claimant was on ongoing CDC recipient until June 20, 2010, and an ongoing MA recipient until July 1, 2010.
2. On May 12, 2010, the Department sent the Claimant a Redetermination form with a due date of June 2, 2010. Department Exhibit 2.
3. On June 2, 2010, the Department sent the Claimant a Notice of Missed Interview form. Department Exhibit 6.

4. On June 3, 2010, the Department notified the Claimant that it was terminating her CDC and MA benefits for failure to verify information necessary to determine eligibility. Department Exhibit 8.
5. On June 24, 2010, the Claimant reapplied for CDC and MA benefits.
6. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED]
7. A group member receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]
8. On July 19, 2010, the Department determined that the Claimant was not eligible for CDC and MA benefits due to excess income. Department Exhibits 15 – 16.
9. The Department received the Claimant's request for a hearing on July 19, 2010, protesting the denial of her CDC and MA applications, and the amount of the MA deductible for her son.

### **CONCLUSIONS OF LAW**

The Child Development and Care program is established by Titles IVA, IVE, and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or Department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

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 Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. BAM 105, p. 5. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130, p. 1. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130, p. 1. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130, p. 1. A collateral contact is a direct contact with a person,

organization, or agency to verify information from the client. BAM 130, p. 2. When documentation is not available, or clarification is needed, collateral contact may be necessary. BAM 130.

Clients are allowed ten calendar days to provide the verifications requested by the Department. BAM 130, p. 4. The Department should send a negative action notice when the client indicates a refusal to provide the verification, or the time period provided has lapsed and the client has not made a reasonable effort to provide it. BAM 130, p. 4. The Department should extend the time limit no more than once if the client cannot provide the verification despite a reasonable effort. BAM 130, p. 4.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The Claimant was an ongoing CDC recipient until June 20, 2010, and an ongoing MA recipient until July 1, 2010. On May 12, 2010, the Department sent the Claimant a Redetermination form with a due date of June 2, 2010. When the Department did not receive the Redetermination form back from the Claimant, it sent her a Notice of Missed Interview form on June 2, 2010. On June 3, 2010, the Department notified the Claimant that it was terminating her CDC and MA benefits for failure to verify information necessary to determine eligibility.

The Department established that it terminated the Claimant's CDC and MA benefits for failure to verify information necessary to determine eligibility.

On June 24, 2010, the Claimant reapplied for CDC and MA benefits.

On July 10, 2010, the Department completed a CDC budget for a group of three. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED]. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]. The Claimant's total countable income for a group of three is [REDACTED] which exceeds the income eligibility limit of [REDACTED] RFT 270.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, or

- Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). PEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. PEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in PEM 544. PEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. PRT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. PEM 544. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the Program Reference Table (PRT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. PEM 545; 42 CFR 435.831.

The Department completed a MA budget on June 19, 2010, to determine eligibility for MA benefits for the Claimant's son. The Claimant's son receives monthly RSDI in the gross monthly amount of [REDACTED]. Total net income of [REDACTED] is determined by adding this income to the son's [REDACTED] share of his mother's earned income. The Claimant resides in Genesee County and has a protected income level of [REDACTED]. RFT 240. The Claimant's son had a deductible of \$1,813, which is determined by subtracting the protected income level from the total net income.

The Claimant argued that the income used to determine eligibility for benefits is not reflective of her future income. The Claimant testified that he had been working more hours than usual, and her income was likely to decrease in the future.

The Claimant reapplied for benefits on June 24, 2010, and the Department properly considered her income from the previous 30 days to determine her prospective income as directed by policy. BEM 505. The Claimant has a duty to report future changes in income that could affect her eligibility to receive CDC benefits and the level of her son's patient deductible. In this case, the Department properly applied her current income to her eligibility for benefits during the upcoming month.

The Department has established that it properly determined that the Claimant is not eligible for CDC benefits due to excess income.

The Department has established that it properly determined that the Claimant's son is eligible for MA benefits with a deductible of [REDACTED]

**DECISION AND ORDER**

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

The Department's CDC and MA eligibility determination is AFFIRMED. It is SO ORDERED.

\_\_\_\_\_/s/\_\_\_\_\_  
Kevin Scully  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: \_\_10/28/2010\_\_\_\_

Date Mailed: \_\_10/28/2010\_\_\_\_

**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.

KS/alc

cc:

