

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.: 2010-7179

Issue No.: 3015,2026

Case No.:

Load No.:

Hearing Date:

March 22, 2010

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

DECISION AND ORDER

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on March 22, 2010. The Claimant appeared at the hearing and testified. [REDACTED] FIM, appeared on behalf of the Department.

ISSUE

Was it proper for the Department to deny Claimant's Food Assistance application because of excess income and has the Department properly determined Claimant's Medicaid 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) Claimant applied for FAP on August 13, 2009.

- (2) Claimant has \$672 gross monthly unemployment income and \$1233 gross monthly unearned income from social security for himself and \$616 gross unearned income from social security for his daughter.
- (3) Claimant pays his daughter's mother \$454.50 from his daughter's social security income, pursuant to court order based on the shared joint custodial arrangement he has with his daughter's mother.
- (4) The Department determined Claimant to be ineligible for FAP benefits because of excess income on September 11, 2009.
- (5) The Department determined that Claimant had a \$1041 deductible for the Medicaid program and that his daughter was ineligible for MI Child due to excess income.
- (6) Claimant requested a hearing on September 18, 2009 contesting the denial of his FAP application and the determination of his MA eligibility.
- (7) Claimant's daughter has subsequently been approved for MI Child and Claimant abandoned his claim with regard to that issue.

CONCLUSIONS OF LAW

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"), formally 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 Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), 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 Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM). The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums as set forth in the policy contained in the program reference table. 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. A deductible 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. (BEM 545; 42 CFR 435.831).

The following child support expenses are allowed:

- The amount of court-ordered child support and arrearages paid by the household members to non-household members in the benefit month.
- Court-ordered third party payments (e.g., landlord or utility company) on behalf of a non-household member.
- Legally obligated child support paid to an individual or agency outside

the household, for a child who is now a household member, provided the payments are not returned to the household. BEM 554.

In the present case, Claimant has \$672 per month gross income in unemployment benefits and also \$1233 unearned income in social security benefits. The total gross income for the household is \$1905. The monthly gross income limit for a 2 person household for the FAP program is \$1579. RFT 250. Claimant's income exceeds the gross income limit. Therefore the Department's determination that Claimant is ineligible for FAP benefits due to excess income is correct. Claimant's income exceeds the gross income test regardless of whether any monies received on behalf of his daughter are included or not.

In the present case, Claimant is contesting the deductible amount for his MA benefits. The Department determined that Claimant had net income of \$1541 which exceeds the monthly protected income level for a 2 person household of \$500 by \$1041 per month. Claimant was consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$1041 during the month he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining his deductible amount.

At hearing, Claimant questioned the fairness of using gross income to determine eligibility for benefits. However, Department policy is clear that gross income shall be examined as part of the eligibility determination process. BEM 500.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department properly determined that the Claimant was not eligible for FAP due to excess income. The Administrative Law Judge further finds that the Department was correct in the determination of MA benefits, and it is ORDERED that the Department's decisions in these regards be and are hereby AFFIRMED.

Aaron McClintic
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: _____

Date Mailed: _____

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 mailing 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.

AM/hw

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