

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 2010-16603
Issue No.: 1018/2026/3002
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: July 1, 2010
Wayne County DHS (76)

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 a hearing. After due notice, a hearing was held on Thursday, July 1, 2010. The Claimant appeared, along with Millard Campbell, and testified. Terri Young and Jocelynn Payne appeared on behalf of the Department.

ISSUE

1. Whether the Department properly terminated the Claimant's cash assistance ("FIP") due to excess income effective January 2010?
2. Whether the Department properly reduced the Claimant's food assistance ("FAP") effective January 2010?
3. Whether the Department properly changed a member's Medical Assistance ("MA") to a deductible case based on excess income?

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 a FIP recipient.
2. The Claimant is a FAP and MA recipient.

3. In December 2009, the Department discovered that a group member began receiving Retirement, Survivor's, Disability Insurance ("RSDI") benefits in the amount of \$554.00/month. (Exhibit 2)
4. The Claimant's child receives RSDI benefits in the amount of \$183.00/month. (Exhibit 3)
5. As a result of the RSDI income not previously budgeted (\$554.00/month), the Claimant FIP benefits closed due to excess income.
6. As a result of the RSDI income not previously budgeted, the Claimant's FAP benefits were reduced from \$526.00 to \$420.00.
7. As a result of the RSDI income not previously budgeted, a group member's MA case was converted to a deductible one.
8. On December 18, 2009, the Department sent a Notice of Case Action to the Claimant informing her of the termination of FIP benefits, the reduction of FAP benefits, and the conversion a group member's MA case to a deductible one. (Exhibit 4)
9. The above changes were effective January 1, 2010.
10. On January 11, 2010, the Department received the Claimant's Request for Hearing. (Exhibit 1)

CONCLUSIONS OF LAW

As a preliminary matter, the Claimant filed a Request for Hearing covering three programs. Each program will be addressed separately.

FIP Benefits

The Family Independence Program ("FIP") was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 USC 601, *et seq.* The Department of Human Services ("DHS" or "Department"), formerly known as the Family Independence Agency, administers the FIP program pursuant to MCL 400.10, *et seq.* and MAC R 400.3101-3131. Department policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the 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. BEM 500 The Department must consider the gross benefit amount before any deduction, unless Department policy

states otherwise. *Id.* The gross RSDI benefit amount is counted as unearned income. PEM 500

In this case, a group member began receiving RSDI income in the amount of \$554.00/month. The Claimant's minor child receives \$183.00/month thus the total household income was \$737.00/month. At that time, the applicable income limit was \$492.00. Given that the Claimant's monthly household income exceeds the FIP income limit, the Claimant is not eligible for cash assistance. Ultimately, the Department established it acted in accordance with department policy when it notified and terminated the Claimant's FIP benefit. The Department's determination is AFFIRMED.

FAP Benefits

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"), 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 Bridges Reference Manual ("BRM").

Group composition is the determination of which persons living together are included in the FAP program group. BEM 212 Spouses who are legally married and live together must be in the same group. *Id.* Parents and their children under the age of 22 who live together must be in the same group regardless of whether the child has his/her own spouse or child who lives with the group. *Id.*

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 The Department must consider the gross benefit amount before any deduction, unless Department policy states otherwise. *Id.* The gross RSDI benefit amount is counted as unearned income. PEM 500 For FAP purposes, all expenses are converted to a nonfluctuating monthly amount. BEM 554 In determining a FAP allotment, a Heat and Utility Standard is used whenever a FAP group contributes to the heat expense separate from rent, mortgage, or condominium/maintenance payments. BEM 554 Clients are not eligible for the Heat and Utility Standard when heat is included in the rent payment unless the client is billed for excess heat payments from the landlord, or the client reports that they have received, applied for or will be applying for a Home Heating Credit warrant in the current fiscal year (October through September) for their current address. *Id.*

In this case, a mandatory group member's RSDI income was not previously budgeted. As a result of this income, the Claimant's monthly FAP allotment reduced from \$526.00 to \$420.00. Ultimately, the Department established it acted in accordance with

Department policy when it recalculated the Claimant's FAP budget by including all unearned income, the utility standard, and used the proper group size of three. Under these facts, the reduction of FAP benefits effective January 2010 is AFFIRMED.

MA Deductible

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 BAM, BEM, and 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. BEM 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. BEM 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. BEM 545 The fiscal group's monthly excess income is called a deductible amount. BEM 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, a mandatory group member's MA case was converted to a deductible based on excess income. The income was the result of RSDI benefits not previously budgeted. Ultimately, the Department established it acted in accordance with Department policy when it converted a group member's MA case to a deductible one. Accordingly, 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 determinations are AFFIRMED.

Accordingly, it is ORDERED:

1. The Department's termination of FIP benefits effective January 1, 2010 is AFFIRMED.

2. The Department's reduction in FAP benefits effective January 1, 2010 is AFFIRMED.
3. The Department's conversion of a group member's MA case to a deductible one effective January 1, 2010 is AFFIRMED.

Colleen M. Mamelka

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

Date Signed: 07/06/2010

Date Mailed: 07/06/2010

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 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.

CMM/jlg

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