

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201017461
Issue No.: 2015
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: September 9, 2010
Wayne County DHS (57)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 telephone hearing was held on September 9, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], [REDACTED], appeared and testified.

ISSUE

Whether DHS properly counted Claimant's children's mother's income in determining Claimant's eligibility for Medical Assistance (MA) benefits.

FINDINGS OF FACT

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

1. Claimant was an ongoing MA recipient receiving ongoing Medicaid.
2. Claimant is part of a household that includes himself, his four minor biological children and the biological mother of Claimant's four children.
3. Claimant and his children's mother are unmarried.
4. Claimant's children's mother earned the following gross employment income: \$896.40 on 9/21/09, \$602.27 on 9/4/09, \$74.38 on 9/14/09 and \$344.36 on 9/28/09. Exhibit 2.

5. On an unspecified date believed to be approximately 12/2009, DHS terminated Claimant's ongoing Medicaid and found that Claimant was eligible for Medicaid subject to a \$927/month deductible.
6. The determination reducing Claimant's MA benefits counted Claimant's children's mother's employment income.
7. On 1/5/10, Claimant requested a hearing disputing the termination of his ongoing Medicaid coverage; Claimant specifically contended that his children's mother's income should not have been counted as part of his MA budget.

CONCLUSIONS OF LAW

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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid 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.

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. Claimant is a non-pregnant, non-senior, non-disabled caretaker of minor children who is over 21 years old. Claimant's most beneficial MA program for ongoing Medicaid is through Low-Income Family (LIF) or Group 2 Caretaker (G2C).

DHS determined that Claimant has excess income for ongoing Medicaid benefits. In making the determination, DHS counted Claimant's children's mother's income as part of Claimant's income eligibility determination. DHS contends that this income is

appropriately counted in determining Claimant's MA benefit eligibility. Claimant contends the income should not have been counted.

The best MA category for which Claimant is eligible is the Low-Income Family category. The LIF applicant group consists of those persons who must be included in the request for LIF. BEM 110 at 4. A group is those related persons living together whose income and needs are used to determine LIF eligibility. *Id.* Each of the following who live together must be in the LIF applicant group: the child, child's parent(s), child's siblings who meet the definition of a dependent child, and the parent(s) of the siblings.

In Claimant's circumstances, his LIF applicant group would consist of any of Claimant's four children, the three siblings and both biological parents. In Claimant's LIF group, Claimant's children's mother is a group member and her income is appropriately countable toward Claimant's LIF income-eligibility. It is found that DHS properly counted Claimant's children's mother's income in determining Claimant's income-eligibility for LIF.

A LIF budget was not provided by DHS. The net income limit for a six **member** group LIF group is \$838/month. RFT 243. Based on the employment income of Claimant's children's mother, there is no doubt that Claimant is over-income for LIF eligibility. It is found that DHS properly found Claimant over-income for Medicaid through LIF. Though Claimant's group has excess-income for LIF, Claimant may still receive MA benefits for being a caretaker of minor children through the G2C program.

"FIP related MA" refers to medical programs when MA eligibility is based on being a family with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant or recently pregnant. BEM 105 at 1. G2C is a FIP related MA category. BEM 135 at 1. The fiscal group for G2C is determined by BEM 211. *Id.* at 2.

G2C has different group composition standards than LIF. BEM 211 at 1. Thus, Claimant's children's mother should be counted as a member of Claimant's LIF fiscal group but the same is not necessarily true of Claimant's G2C fiscal group.

In determining a person's G2C eligibility, the only income that may be considered is the person's own income and the income of the following persons who live with the client: the client's spouse and the client's parent(s) if the client is a child. In Claimant's circumstances, he is the client and no other persons are part of his G2C fiscal group. Because he is not married to the mother of his children, the mother is properly not counted as part of Claimant's G2C group. As a non-group member, Claimant's children's mother's income should not have been counted as part of Claimant's eligibility. It is found that DHS improperly determined Claimant's eligibility for G2C eligibility by counting the income of his children's mother's income.

DECISION AND ORDER

The actions taken by DHS are REVERSED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly determined Claimant's eligibility for MA benefits. It is ordered that DHS recalculate Claimant's eligibility for the G2C program without counting Claimant's children's mother's income. DHS shall affect Claimant's G2C eligibility beginning with the unspecified benefit month following

Christian Gardocki
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.

CG/hw

cc:



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