

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.: 2010-20484
Issue No.: 2013, 3003
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date:
June 24, 2010
Wayne County DHS (35)

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 June 24, 2010. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department.

ISSUE

Was the Department correct in determining Claimant's Food Assistance benefits and 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's Food Assistance benefit was reduced from \$452 to \$152 in January 2010 after Claimant's grandchildren were no longer living in the household.
2. Claimant was found to be eligible for MA-G2S with an \$856 deductible.
3. Claimant was found to be not eligible for ALMB, QMB and Ad-Care.

4. Claimant has \$841 income from social security.
5. Claimant's wife has \$481 income from social security.
6. Claimant's wife has \$395 income from her employment as a home help provider.
7. Claimant has shelter expense of \$1430.
8. Claimant requested a hearing on January 15, 2010 contesting the reduction of FAP benefits and Medicaid Eligibility

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 Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) 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 PEM 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. PEM 545; 42 CFR 435.831.)

The income limit for the Medicaid Ad-Care program is \$1215 for a 2 person household. RFT 242 Claimant’s household has \$1717 net income so the Department’s determination that Claimant is ineligible for this program is correct. The limit for SLMB is \$1457, the limit for ALMB is \$1640 so the Department’s determination that Claimant is ineligible for these programs is correct also. RFT 242

The federal regulations define household income to include all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. PEM 550. Under 7 CFR 273.9, as amended, \$135.00 is deducted from the gross income of FAP recipients in determining FAP grants. Claimant’s wife has \$395 gross employment income. 80% of \$395 is 316.

In the present case, Claimant has \$1322 unearned income from social security benefits. The standard deduction of \$132 and a medical deduction of \$76 was subtracted from \$1638

resulting in adjusted income of \$1430. Claimant has shelter expense of \$1430, and does qualify for a shelter deduction of \$715. Subtracting \$715 from \$1435 results with \$715. The Food Assistant Issuance Table shows \$152 in benefit for \$715 net income for a household of 2. RFT 260 This is the amount determined by the Department and it is correct.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the determination of MA and FAP benefits, and it is ORDERED that the Department's decision in this regard be and is hereby AFFIRMED.



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

Date Signed: 07/01/2010

Date Mailed: 07/01/2010

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.

AM/cjp

cc:

