

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.: 2010-23283

Issue No.: 3002

Case No.: [REDACTED]

Load No.: [REDACTED]

Hearing Date:

Wayne County DHS (43)

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 conducted from Detroit, Michigan on March 10, 2010. The Claimant appeared and testified; Ursula Thompson also appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUE

Whether DHS properly reduced Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefits?

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 was an ongoing FAP and MA recipient.
2. Claimant applied for FAP and MA benefits on 9/15/09.

3. Claimant is part of a non-disabled, non-senior and non disabled veteran three person FAP group.
4. Claimant verified his income with weekly pays of \$181.34 on 8/21/09, \$214.60 on 8/28/09, \$276.38 on 9/4/09 and \$215.66 on 9/11/09.
5. Claimant's spouse biweekly income was verified as \$697.24 on 8/19/09 and \$628.33 on 9/2/09.
6. Claimant's rent was verified as \$550.month and Claimant receives the maximum utility standard.
7. Approximately 1/2010, DHS notified Claimant that he had excess income for FAP benefits.
8. Approximately 1/2010, DHS notified Claimant that he and his spouse were eligible for Medicaid subject to a monthly deductible of \$938.
9. Claimant submitted a hearing request on 2/18/10 regarding denial of FAP due to excess income and reduction in MA benefits to a \$938 deductible.

#### CONCLUSIONS OF LAW

#### **Food Assistance Program**

The Food Assistance Program (formerly known as the Food Stamp 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 (formerly known as the Family Independence Agency) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

DHS processed a FAP budget for Claimant beginning 9/2009. Claimant submitted bi-weekly pay stubs to verify his employment income. Based on the above listed checks, the average check is \$221.99. The average check was multiplied by 2.15 to convert the income into a full month results in a monthly gross income of \$954.00 (cents dropped).

Claimant submitted two weekly pay stubs to verify his spouse's employment income. Based on the above listed stubs, the average check was calculated to be \$662.78. The average check was multiplied by 2.15 to convert the income into a full month resulting in a monthly gross income of \$1444 (cents dropped).

Claimant's total gross employment income is found by adding Claimant's and Claimant's spouse's gross employment income.  $\$954 + \$1444$  results in a total of \$2398 in gross monthly income.

Per RFT 250, Claimant's FAP group income exceeds the maximum gross income allowed for a non-senior, non-disabled, non-disabled veteran FAP group of three. It is found that DHS correctly denied Claimant's FAP application.

### **Medical Assistance**

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.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. An eligible MA group has income the same as or less than the “protected income level” as set forth in the policy contained in RFT 240. An individual or MA group whose income is in excess of the monthly protected income level is eligible for an MA deductible. 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. BEM 545; 42 CFR 435.831.

Claimant is disputing the decision concerning MA eligibility for himself and spouse. Generally, clients may only receive Medicaid if they fall into one of the following categories: caretaker of minor child/children, senior, disabled, pregnant or under 21 years old. Claimant and his spouse would qualify for Medicaid for being a caretaker for minor children if financial and non-financial requirements are met.

DHS calculated Claimant to be over-income for Medicaid but found that Claimant was eligible for a Medicaid deductible of \$938. DHS failed to submit an MA budget to verify all of the information needed to calculate MA net income. The undersigned also failed to request one.

It is not known whether Claimant is eligible for an income deduction based on receiving FIP or LIF in the prior 4 months. Based on the limited information provided, the undersigned calculated Claimant and his spouse's MA deductible to be \$2728. Based on the submitted income information for FAP and the policies of BEM 536, Claimant appears to be, at best, eligible for the \$938 MA deductible.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS correctly denied Claimant's application for FAP benefits due to excess income. It is also found that

Claimant and his spouse are not eligible for Medicaid and that Claimant's \$938 deductible is, if not correct, is the lowest Claimant and his spouse could receive based on the provided income.



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Christian Gardocki  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 4/8/2010

Date Mailed: 4/8/2010

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.

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