

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.: 2010-24028

Issue No.: 3000, 2026

Case No.:

Load No.:

Hearing Date:

March 31, 2010

Macomb 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 31, 2010. The Claimant appeared and testified. [REDACTED] ES and [REDACTED] ES appeared on behalf of the Department.

ISSUE

Was the Department correct in determining Claimant's FAP 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 will begin receiving \$106 in FAP benefits on April 1, 2010.
- (2) Claimant testified that he is satisfied with the actions taken by the Department with regard to Food Assistance and abandons his appeal as it relates to that program.

- (3) Claimant's MA-Ad Care benefit was closed effective March 1, 2010 due to excess income.
- (4) Claimant was found to be eligible for MA-G2S with a \$533 deductible.
- (5) Claimant has \$961 income from social security.
- (6) Claimant requested a hearing on February 11, 2010 and March 2, 2010 contesting the determination of FAP benefits. Both hearing requests will be addressed as part of this decision.

#### 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.)

In the present case, Claimant is contesting the deductible amount for her MA benefits. In determining net income a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant’s RSDI benefit is \$961, after subtracting \$20 for the general exclusion, his net income is \$941. Claimant’s net income \$941 exceeds the monthly protected income level of \$408 by \$533 per month. Claimant is consequently ineligible to receive Medical Assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$533 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.

The income limit for the Medicaid Ad-Care program is \$903. RFT 242 Claimant has \$941 net unearned income so the Department's determination that Claimant is ineligible for this program 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.

/s/  \_\_\_\_\_

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

Date Signed: April 12, 2010

Date Mailed: April 15, 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/ hw

cc:



