

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.: 201024290
Issue No.: 2026; 3015
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: August 2, 2010
Wayne County DHS

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 August 2, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUES

1. Whether DHS properly terminated Claimant's eligibility for Food Assistance Program (FAP) benefits due to excess-income.
2. Whether DHS properly determined Claimant eligibility for Medical Assistance (MA) benefits by determining Claimant was eligible for Medicaid subject to a monthly deductible.

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 is part of a four person FAP group which includes three minor children.
3. Neither Claimant or her three children are senior (over 60 years of age), disabled or a disabled veteran (SDV)
4. Claimant received employment income and unemployment compensation (UC) for weeks when she was under-employed.

5. Claimant received \$774/2 weeks in UC income on 1/8/10 and 1/19/10.
6. DHS also budgeted an unspecified amount of employment income in calculating Claimant's eligibility for FAP and MA benefits.
7. Claimant receives \$426/month in Retirement, Survivors, Disability Insurance (RSDI) income.
8. Claimant receives \$456/month in child support.
9. DHS determined that Claimant had excess-income for FAP benefits effective 2/2010.
10. DHS determined that Claimant had excess-income for ongoing Medicaid and was eligible for Medicaid subject to a monthly deductible of \$1199 beginning 3/2010.
11. On 2/17/10, Claimant requested a hearing concerning the termination of her FAP benefits and ongoing Medicaid benefits

CONCLUSIONS OF LAW

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 (formerly known as the Family Independence Agency) administers the FAP program pursuant to CML 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 Bridges Reference Manual (BRM). Updates to policy are found in Bridges Policy bulletin (BPB).

Claimant's primary argument involved DHS actions taken on her MA benefits that occurred in 7/2010. The DHS actions were independent from actions that led to Claimant to request a hearing on 2/17/10. The undersigned only has jurisdiction to consider issues and DHS actions that led Claimant to originally request a hearing. Thus, any objections to agency actions occurring after Claimant's 2/17/10 hearing request require Claimant to file new hearing requests.

Claimant's submitted her 2/17/10 hearing request contending that DHS over-budgeted her income in calculating her eligibility for FAP benefits in 2/2010. Claimant concedes receiving at least the following income: UC income of \$774/2 weeks, \$426/month in RSDI income and \$456/month in child support. DHS also budgeted employment

income which Claimant contends should not have been budgeted, or less income should have been budgeted. With the inclusion of Claimant's employment income, DHS found Claimant to have excess-income for FAP benefits. However, even assuming Claimant's contention to be correct and her employment income is excluded from her FAP benefit eligibility calculation, Claimant is still over-income for FAP benefits.

Claimant received \$774/2 weeks in UC income. \$50/2 weeks of the UC income comes from the [REDACTED] and is appropriately disregarded in calculation of Claimant's FAP benefits. Thus, Claimant's countable UC income for purposes of FAP benefits is \$724/2weeks. DHS multiplies bi-weekly income by 2.15 to convert it to a standard monthly amount. BEM 505 at 6. Claimant's monthly UC income is found to be \$1556/month.

Claimant's total gross monthly income is the sum of Claimant's UC income (\$1556), RSDI income (\$426) and child support income (\$456). Claimant's total monthly gross income is found to be \$2438/month.

For FAP groups without any senior, disabled or disabled veteran group members, the FAP group monthly income must fall below the gross income limits of RFT 250. The monthly gross income limit for a four person group is \$2389/month. Claimant's gross monthly income exceeds the allowable gross income limits.

The undersigned makes no finding regarding whether DHS should or should not have budgeted Claimant's employment income. The undersigned only finds that even if Claimant's contention is correct and the employment income should not be considered, the proper decision is that Claimant is still over-income for FAP benefits. It is found that DHS properly denied Claimant's FAP benefits for 2/2010 due to excess income.

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 for the calendar month.

Claimant made two arguments concerning her MA benefits. First, Claimant contended she should be eligible for ongoing Medicaid and secondly, if not eligible for ongoing Medicaid, Claimant wanted a precise deductible amount so she could weigh the deductible against her costs for having private health insurance.

It should be noted that Claimant indicated that her UC income and employment income changes as frequently as her employment schedule. The undersigned only has jurisdiction to consider whether DHS properly calculated Claimant's eligibility for MA benefits in 3/2010. Thus, as Claimant reports changes to her income, her eligibility for MA benefits changes.

The DHS Hearing Summary and an MA EDG Summary indicated that Claimant's 3/2010 MA deductible was \$1199. DHS submitted information that indicated the following monthly income was used to calculate Claimant's MA eligibility: \$438.95 from employment, \$976.57 in UC income, \$474 in RSDI income, \$522.97 in monthly child support for two children.

Claimant did not submit any documentation contradicting the above amounts; though testified she receives only \$456/month in child support. If Claimant's child support obligation changed, Claimant may report the change to DHS for an updated determination concerning her MA eligibility.

The following disregards apply to Claimant: \$90 for earned income, \$100 from child support (\$50/child), and \$20 from unearned income. Thus, Claimant's total monthly gross income for MA benefits is found to be \$2202.49

The total monthly income is divided by a prorate divisor to calculate Claimant's prorated share of income. A prorate divisor is the sum of 2.9 plus Claimant's number of dependents (spouse and minor children). Claimant's prorate divisor is 5.9. Claimant's prorated share of income is found to be \$373.30.

Claimant's fiscal group's net income is found by multiplying Claimant's prorated share of income by 2.9 plus an additional share of the adult's prorated share of income. BEM 536 at 5. Claimant's fiscal group's net income is found to be \$1455 (dropping cents).

Income eligibility for G2C exists when net income does not exceed the Group 2 needs in BEM 544. BEM 544 indicates that Claimant's fiscal group's net income (\$1455) may not exceed the protected income level (PIL). The protected income level (PIL) is a set allowance for non-medical need items such as shelter, food and incidental expenses.

BEM 544 at 1. If a client's fiscal group's net income exceeds the PIL, the difference is the amount of the client's deductible. Claimant's fiscal group income (\$1455) exceeds Claimant's PIL (\$375). Thus, Claimant is not eligible for Medicaid in 3/2010. Claimant's Medicaid deductible amount for 3/2010 is found to be \$1080.

Though DHS calculated Claimant's 3/2010 deductible to be higher than the amount calculated by the undersigned, the difference is largely irrelevant. Claimant has not submitted any medical expenses to activate her 3/2010 Medicaid deductible. Thus, Claimant remains ineligible for 3/2010 Medicaid whether her deductible is \$1 or \$1,000. Also, Claimant has reported several changes since 3/2010 which would require new deductible calculations. As DHS and the undersigned found Claimant to be ineligible for ongoing Medicaid in 3/2010 and Claimant has not submitted any medical expenses for 3/2010 to activate her deductible, the DHS decision is affirmed.

If Claimant subsequently submits verification of medical expenses for 3/2010 in an attempt to activate her Medicaid deductible specifically for 3/2010, Claimant should have the right for further administrative inquiry into the correctness of the DHS calculation of her deductible. Unless that occurs, the DHS decision finding Claimant ineligible for Medicaid beginning 3/2010 is affirmed.

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 properly terminated Claimant's FAP benefits effective 3/2010 and properly calculated Claimant's eligibility for MA benefits effective 3/1/10.

/s/



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

Date Signed: August 11, 2010

Date Mailed: August 11, 2010

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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

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