

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: 2010-27011
Issue No: 2026, 3002
Case No: [REDACTED]
Load No: [REDACTED]
Hearing Date:
June 10, 2010
Grand Traverse County DHS

ADMINISTRATIVE LAW JUDGE: Ivona Rairigh

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9; and MCL 400.37 upon claimant's request for a hearing. After due notice, an in-person hearing was held on June 10, 2010. Claimant personally appeared and testified along with his wife [REDACTED].

ISSUE

Did the department properly budget claimant's Retirement, Survivor and Disability Income (RSDI) and his wife's Unemployment Compensation Benefits (UCB) when determining Medicaid (MA) and Food Assistance Program (FAP) 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 was an MA and FAP recipient when a computer matching report revealed that his wife started receiving UCB. (Department's Exhibit 1A).

2. A new MA and FAP budget was completed with claimant's RSDI of \$817 per month and [REDACTED] of his wife of \$504 biweekly and \$1083 monthly. (Department's Exhibit 2A-C, MA budget).

3. New MA budget resulted in an MA deductible of \$1288 per month, and a decrease in FAP benefits from \$526 per month to \$235 per month. (Department's Hearing Summary).

4. Department notified the claimants of new MA and FAP determination in February, 2010. Claimants filed a timely hearing request and continue to receive full MA coverage and non-reduced FAP amount pending the outcome of this hearing.

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 (DHS or department) 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 Program Reference Manual (RFT).

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 (DHS or department) 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 Program Reference Manual (RFT).

Claimant is eligible for SSI-Related MA, and as such his spouse's assets and income are countable when determining his MA eligibility. BEM 211. RSDI and UCB income are not excluded income when determining MA eligibility, and therefore must be counted for the claimant. BEM 503. Before claimant's wife started receiving UCB claimant was eligible for full MA coverage. However, once the department budgeted claimant's RSDI in combination with his wife's UCB, claimant had excess income for full MA coverage, and his MA case was transferred to an MA deductible case. Departmental policy states:

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). BEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- . There is no excess income, **or**
- . Allowable medical expenses equal or exceed the excess income (under the Deductible Guidelines). BEM 545.

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 PEM 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 Medical Assistance group (Group 2 MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the Program Reference Table (RFT). 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. 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. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

Protected income level for the claimant is \$516 per month, and claimant's household income exceeded this level by \$1288 per month, therefore making this amount his monthly deductible.

Claimant's FAP case was also addressed at the hearing. Claimant and his wife testified that their child under the age of 22 lives with them, as well as another unrelated adult. FAP policy requires that parents and children under the age of 22 be included in the same FAP group. However, an unrelated person may or may not be a member of the same FAP group, depending if they purchase and prepare their food together or separately. BEM 212. Department will address changes in claimant's household upon receipt of the hearing decision (i.e. add additional member to the FAP case), as the Bridges system does not allow any changes to the case while the hearing decision is pending.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly budgeted claimant's RSDI and his wife's UCB income when determining MA and FAP eligibility.

Accordingly, department's action is AFFIRMED, and it is SO ORDERED.

/s/ _____
Ivona Rairigh
Administrative Law Judge
for Ismael Ahmed, Director
Department of Human Services

Date Signed: June 15, 2010

Date Mailed: June 16, 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 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.

IR/tg

cc:

