

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.: 201030895  
Issue No.: 3002  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date: July 21, 2010  
Wayne County DHS (82)

**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 July 21, 2010. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

**ISSUES**

1. Whether DHS properly calculated Claimant's eligibility for Food Assistance Program (FAP) benefits.
2. Whether DHS properly calculated Claimant's eligibility for 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 is part of a four person household, including his spouse and two minor children.
3. All persons in Claimant's household are non-senior, non-disabled and non-disabled veterans.

4. Claimant's spouse is a non-citizen who has been in the United States for approximately four years.
5. Claimant receives \$774/2 weeks in gross unemployment compensation (UC) income; \$50 of the biweekly income comes from the American Recovery and Reinvestment Act.
6. Claimant has a \$650 monthly rental expense.
7. Effective 4/2010, DHS reduced Claimant's FAP benefits to \$236/month.
8. Effective 4/2010, DHS reduced Claimant ongoing Medicaid to and determined Medicaid subject to a monthly deductible of \$455.
9. Claimant submitted a hearing on 4/12/10 objecting to the reduction in FAP and MA benefits.

### **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 policy updates are found in the Bridges Policy Bulletin (BPB).

Claimant contends that he is entitled to more than \$236/month in FAP benefits. Claimant's primary reason for believing he is not receiving the appropriate amount of FAP benefits is that his income, household members and expenses have remained stable and he received more FAP benefits prior to 4/2010. DHS responded that due to agency error, Claimant's unemployment income was not previously budgeted. Thus, Claimant should have received less FAP benefits prior to 4/2010 but did not. When a specialist discovers an over-issuance of benefits, the DHS specialist must take immediate action to correct the benefit amount. BAM 700 at 8. It is found that DHS properly did not continue issuing the incorrect FAP benefit amount.

The issue of whether DHS properly calculated Claimant's FAP benefits remains. BEM 556 outlines the proper procedures for calculating FAP benefits.

DHS found Claimant to have FAP group size of three persons. Claimant's spouse is a non-U.S. citizen and is disqualified from receiving FAP benefits. BEM 225 at 1. No

evidence was presented that indicates Claimant's spouse is exempted from the citizenship requirements which would not disqualify her from receiving FAP benefits. It is found that DHS properly calculated Claimant's FAP group size as three persons.

Claimant receives biweekly UC benefits of \$774/2 weeks. DHS is to count the gross amount of UC in calculating FAP benefits. BEM 503 at 24. However, \$50/2 weeks of the UC income is excluded because it is paid through the American Recovery and Reinvestment Act. BPB 2010-008. Thus, Claimant's countable UC income is \$724/ 2 weeks.

DHS converts biweekly non-child support income into a 30 day period by multiplying the income by 2.15. BEM 505 at 6. Multiplying Claimant's countable biweekly income by 2.15 results in a monthly countable income amount of \$1556.

Claimant's three person group receives a standard deduction of \$132. RFT 255. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. The adjusted gross income amount is found to be \$1424, the same as calculated by DHS.

Claimant pays \$650/month in rent. Claimant was issued the maximum utility credit allowed by policy, \$555. The rent expense is added to the utility expense to calculate Claimant's monthly housing obligation of \$1205, the same as calculated by DHS.

Claimant excess shelter cost is the difference between Claimants' housing costs (\$1205) and half of Claimant's adjusted gross income (\$712). In Claimant's circumstances, the excess shelter amount (\$493) is more than the shelter maximum deduction of \$459. As a FAP group without a senior, disabled or disabled veteran member, Claimant's excess shelter is capped at the \$459 amount. DHS also calculated Claimant's allowable excess shelter deduction to be \$459.

The lesser of the excess shelter costs or maximum shelter deduction is to be subtracted from Claimant's adjusted gross income to determine Claimant's net income. In the present case, Claimant's net income is found to be \$965, the same as calculated by DHS. Per RFT 260 the correct amount of FAP benefits for a group of 3 with a monthly net income of \$965 is \$236/month, the same as calculated by DHS. It is found that DHS properly calculated Claimant's FAP benefits to be \$236/month effective 4/2010.

### 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).

The MA 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. A recipient who has excess income for Medicaid programs is not eligible for ongoing Medicaid.

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.

MA encompasses several different MA programs. Each MA program has its own requirements for eligibility. As a non-disabled parent, Claimant's eligibility for Medicaid would be as part of a low-income family or as a caretaker to minor children.

Low-Income Family (LIF) MA is a Group 1 program. "Group 1" categories require an income pass/fail determination; in other words, Claimant's income either makes him eligible or ineligible. BEM 110 outlines the way to determine income eligibility for LIF.

Claimant receives \$774/2 weeks in UC income. In the LIF income calculation, \$50/2 weeks of the UC income is excluded for being part of the American Recovery and Reinvestment Act. Unlike the FAP benefit calculation, the income is merely doubled to convert the biweekly income into a monthly income amount. Claimant's monthly net income for LIF eligibility is \$1448/month. The net income limit for a four person LIF group is \$626. RFT 242. It is found that DHS properly found Claimant ineligible for MA through LIF.

Group 2 Caretaker (G2C) is Group 2 program. "Group 2" MA programs are pas/fail for ongoing Medicaid but if a member is ineligible for ongoing Medicaid, the person can still receive Medicaid subject to a monthly deductible. BEM 536 outlines the procedures for determining income eligibility for Group 2 Caretaker MA.

The first step in determining G2C eligibility is to determine Claimant's prorated share of income. Prorated share of income is calculated by taking Claimant's countable monthly income (\$1448) and dividing by the sum of 2.9 plus the number of Claimant's dependents; note that a spouse is considered a dependent. Claimant has three dependents so \$1448 divided by 5.9 is the equation needed to calculate Claimant's prorate income. Claimant's prorated income is found to be \$245.

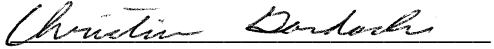
Claimant's prorated income (\$245) is then multiplied by the number of dependents (3) to calculate Claimant share of his own income; that number is \$710. The \$710 is added to the couple's share of each other's income to calculate total net income. The couple's share for a spouse who has zero income is the prorated income amount (\$245). Thus, the total net income for purposes of G2C eligibility is \$955/month.

Income eligibility for G2C Medicaid exists when total net income is less than the protected income level as found in RFT 240. If total net income exceeds the protected income level, the difference is the monthly deductible for which Claimant has to meet before receiving Medicaid. Claimant's total net income for purposes of G2C MA is \$955. The appropriate net income level for G2C eligibility is \$500. RFT 240. It is found that DHS properly found Claimant ineligible for G2C eligibility and properly calculated Claimant's monthly deductible to be \$455.

### **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 calculated Claimant's FAP and MA benefits beginning 4/2010.

/s/

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

Date Signed: August 8, 2010

Date Mailed: August 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 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.

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