

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: 201047801  
Issue No: 2026, 3008, 6015  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
September 28, 2010  
Shiawassee County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on August 3, 2010. After due notice, a telephone hearing was held on Tuesday, September 28, 2010.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA), Food Assistance Program (FAP), and Child Development and Care (CDC) 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. The Claimant is an ongoing MA and FAP recipient.
2. The Claimant receives monthly unemployment compensation in the gross monthly amount of \$ [REDACTED] Department Exhibits 1 – 3.
3. On February 1, 2010, the Department sent the Claimant a Semi-Annual Contact Report with a due of March 1, 2010. Department Exhibit 10.
4. On February 10, 2010, the Department notified the Claimant that she was approved for MA benefits with a \$ [REDACTED] deductible. Department Exhibit 6.

5. On March 10, 2010, the Department notified the Claimant that her FAP benefits would be terminated as of April 1, 2010, for failure to provide information necessary to determine eligibility. Department Exhibit 12.
6. The Claimant applied for CDC benefits on April 14, 2010.
7. On April 15, 2010, the Department sent the Claimant a Verification Checklist with a due date of April 26, 2010.
8. On April 27, 2010, the Department denied the Claimant's CDC application for failure to provide information necessary to determine eligibility.
9. On August 3, 2010, the Department received the Claimant's request for a hearing, protesting the Department's failure to issue MA benefits after February of 2010, and the denial of her FAP and CDC applications.

### **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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

The Food Assistance Program (FAP) (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 (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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

The Child Development and Care program is established by Titles IVA, IVE, and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department of Human Services (DHS or Department) provides services to adults and children pursuant to MCL 400.14(1) and MAC R 400.5001-5015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the

Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

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 BEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. PRT 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 (PRT). 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.

On February 10, 2010, the Department completed a budget to determine the Claimant's eligibility for Low Income Family Medical Assistance (LIF-MA). The Claimant receives monthly unemployment compensation in the gross monthly amount of \$ [REDACTED]. The monthly income limit for a group of two under the LIF-MA category is \$ [REDACTED] RFT 243. Therefore, the Claimant is not eligible for LIF-MA benefits.

On February 10, 2010, the Department completed a budget to determine the Claimant's eligibility for Group 2 Family Independence Program related Medical Assistance (G2

FIP-MA). The Claimant receives monthly unemployment compensation in the gross monthly amount of \$ [REDACTED] and the Claimant's share of group income is \$ [REDACTED]. The Claimant resides in Shiawassee County and has a protected income level of \$ [REDACTED] RFT 240. The Claimant's deductible of \$ [REDACTED] is determined by subtracting her protected income level from her net income.

The Claimant testified that February of 2010 was her first month with a Medical Assistance deductible. The Claimant testified that she was not aware of the requirement to report her medical expenses by the end of the third month as required by BEM Item 545. The Claimant testified that she did not submit her medical expenses.

The Department established that it properly determined the Claimant's eligibility for MA benefits.

On February 1, 2010, the Department sent the Claimant a Semi-Annual Contact Report with a due date of March 1, 2010. The Claimant did not request an extension to the due date or request assistance from the Department obtaining her verification documents. When the Department did not receive the information necessary to determine the Claimant's FAP eligibility, it terminated her FAP benefits effective April 1, 2010.

The Department has established that it properly terminated the Claimant's FAP benefits for failure to submit information necessary to determine eligibility.

The Claimant applied for CDC benefits on April 14, 2010, and had requested benefits so that she could attend school. The Department must verify the need for CDC benefits based on the parent or substitute parent's schedule. BEM 710. The Department sent the Claimant a Verification Checklist with a due date of April 26, 2010, because the Claimant had not reported her class schedule when she applied for CDC benefits. When the Claimant had not verified her need for CDC benefits by April 27, 2010, the Department denied her application.

The Claimant argued that she had submitted her class schedule to the Department and believed that by reporting the number of credit hours, that she had reported the number of hours she would spend in class.

The Claimant submitted a list of classes she was taking, but this schedule did not include dates or times that she would be in class. The documents the Claimant submitted were insufficient for the Department to determine her need for CDC benefits.

The Department has established that it properly denied the Claimant's CDC application for failure to verify information necessary to determine eligibility.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department properly determined the Claimant's eligibility for MA

benefits, and properly denied the Claimant's FAP and CDC applications for failure to submit information necessary to determine eligibility.

The Department's MA, FAP, and CDC eligibility determination is AFFIRMED. It is SO ORDERED.

\_\_\_\_/s/

Kevin

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

Date Signed: October 12, 2010

Date Mailed: October 13, 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.

KS/alc

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