

**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.: 20109897
Issue No.: 2026/3003
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: September 1, 2010
Oakland County DHS (02)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 hearing was held in Madison Heights, Michigan on Wednesday, September 1, 2010. The Claimant appeared and testified. The Claimant was represented by [REDACTED]. [REDACTED] participated by telephone on behalf of the Department.

ISSUE

1. Whether the Department properly calculated the Claimant's Medial Assistance ("MA") deductible?
2. Whether the Department properly calculated the Claimant's Food Assistance ("FAP") 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. The Claimant is a MA and FAP recipient.
2. The Claimant's group size is one.
3. The Claimant receives Retirement, Survivor, Disability, Insurance ("RSDI") income in the amount of \$935.00. (Exhibit 1, pp. 4 – 6)
4. The Claimant has a shelter obligation and has applied for the Home Heating Credit.

5. At redetermination, the Department calculated the Claimant's MA eligibility and found him entitled to benefits provided a \$507.00 monthly deductible is met. (Exhibit 1, p. 7)
6. At redetermination, the Department calculated the Claimant's monthly FAP benefit as \$75.00. (Exhibit 16 – 18)
7. On September 19, 2009, the Department notified the Claimant of the MA deductible and FAP benefit amount. (Exhibit 3)
8. On September 28, 2009, the Department received the Claimant's timely written request for hearing. (Exhibit 2)

CONCLUSIONS OF LAW

As a preliminary matter, the Claimant requested a hearing regarding his MA deductible and FAP benefit. Each program will be separately addressed.

MA Deductible

The Medical Assistance ("MA") program is established by the 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 Bridges Reference Manual ("BRM").

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. BEM 105 Medicaid is also known as Medical Assistance ("MA"). *Id.* The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. *Id.* Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. *Id.* To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. *Id.*

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 155 through 174 discusses SSI-related categories. BEM 105 Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. *Id.* MA income eligibility exists for the calendar month tested

when there is no excess income or allowable medical expenses that equal or exceed the excess income. BEM 545 The fiscal group's monthly excess income is called a deductible amount. *Id.* Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. *Id.* FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. *Id.* Eligibility is determined on a calendar month basis. BEM 105 Individuals that are aged (65 or older) blind or disabled fall under the SSI-related Group 2 MA category. BEM 166 The gross RSDI benefit amount is counted as unearned income. BEM 500

In this case, the Claimant was found entitled to MA benefits based on disability. The Department ran a MA budget which included the Claimant's \$935.00 monthly RSDI income. As a result of the income, the Claimant was no longer eligible to have his Medicare Part B premiums paid thus not eligible under the Ad-Care program. The Department entered the Claimant's information into the Bridges system and the Claimant was found eligible for MA provided the \$507.00 monthly deductible was met. The Claimant agreed with the income figure used in calculating his MA deductible but disagreed with having a deductible case in light of the fact that his RSDI income placed him just slightly over the income test limit. During the hearing, it was explained that the Claimant only had to establish that the medical expenses were incurred and not necessarily paid for prior to the activation of MA coverage. Ultimately, the Department established it acted in accordance with department policy when it calculated the Claimant's MA budget. Accordingly, the Department's determination is affirmed.

FAP calculation

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"), formerly 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 Bridges Reference Manual ("BRM").

Group composition is the determination of which persons living together are included in the FAP program group. BEM 212 All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 In determining a FAP allotment, a Heat and Utility Standard is used whenever a FAP group contributes to the heat expense separate from rent, mortgage, or condominium/maintenance payments. BEM 554 Clients are not eligible for the Heat and Utility Standard when heat is included in the rent payment unless the client is billed for excess heat payments from the landlord, or the client

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reports that they have received, applied for or will be applying for a Home Heating Credit warrant in the current fiscal year (October through September) for their current address. *Id.*

In this case, the Claimant applied for the Home Heating Credit. In performing the recertification, the Heat and Utility Standard was used when determining the Claimant's monthly FAP allotment. Due to the increased expenses, the Claimant's FAP benefit increased from \$16.00/month to \$75.00/month. In light of the foregoing, the Department established it acted in accordance with Department policy when it calculated the Claimant's FAP allotment. Accordingly, the Department's FAP determination is affirmed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law finds the Department established it acted in accordance with Department policy when it calculated the Claimant's MA deductible and FAP allotment.

It is ORDERED:

1. The Department's MA determination is AFFIRMED.
2. The Department's FAP determination is AFFIRMED.

Colleen M. Mamelka

Colleen M. Mamelka
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: 9/3/2010

Date Mailed: 9/3/2010

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.

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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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