#### STATE OF MICHIGAN

# STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES ADMINISTRATIVE HEARINGS FOR THE DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF THE CLAIM OF:



Reg. No.: 201122481 Issue No.: 2026; 3002

Case No.: Load No.:

Hearing Date: March 30, 2011

Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Susan C. Burke

# **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 March 30, 2011. The Claim ant was present and testified. The Depar tment of Human Services (Department) was represented by

## <u>ISSUE</u>

Was the D epartment correct in its calculation of Claimant's Food Assistance Program (FAP) grant and in its calculation of Claimant's Medical Assistance (MA) deductible?

## FINDINGS OF FACT

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, finds as material fact:

- Claimant was an ongoing reci pient of FAP and MA in a household of two persons for FAP purposes and a group of one for MA purposes.
- 2. Claimant received unear ned income of \$2,039.00 per month. Claimant had an obligation for shelter, utilities and heat.
- 3. The Department determined that Claimant is entitled to \$43.00 in FAP benefits per month.
- 4. The Department determined that Claimant's MA was subject to a deductible.

#### 201122481/SCB

5. Claimant requested a hearing contesting the amount of the FAP grant and the amount of his MA deductible.

# **CONCLUSIONS OF LAW**

# FOOD ASSISTANCE PROGRAM

The Food Assistance Program (FAP) is est ablished by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations c ontained in T itle 7 of the Code of Federal Regulations ("CFR"). The Department administers the FAP program pursuant to MCL 400.10, et seq and MAC R 400.3001-3015. Departmental policies are found in BAM, BEM and PRM, which includes the Reference Tables (RFT.).

The federal regulations define household in come to include SSI and RSDI benefits, as well as earned income. 7 CFR 273.9(b) Under 7 CFR 2 73.9, as amended, and RF T 255, \$141.00 is deducted from the gross income of FAP re cipients in a household of two in determining FAP grants. Under 7 CF R 273.9, deductions for excess shelter are also made. BEM 554.

In the present case, according to the aforementioned policy on budgeting, Claimant had a net monthly income of \$1, 080.00. This was obtained by subtracting the standard deduction of \$141.00 for a group of two and the shelter deduction of \$818.00 from the gross unearned income of \$2,039.00. Claimant submitted medical information which will be included properly in funture budgets. The amount of a monthly food assistance allotment is established by regulations a 7 CFR 273.10. A household of two persons with a net monthly income of \$1,080.00 is entitled to a monthly FAP grant of \$43.00 per month. RFT 260. The Department was therefore correct in it's calculation of Claimant's FAP grant.

## **MEDICAL ASSISTANCE**

The Medical Assistance (MA) program is estab lished by Title XIX of the Social Sec urity 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 MC L 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM), which includes Reference Tables (RFT).

The goal of the Medicaid program is to ensure that essentia I health care s ervices are made available to those who otherwise could not afford them. Medica id is also known as Medical Assistance (MA). BEM105.

#### 201122481/SCB

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.

In the present case, Claimant submitted evidence for the first time at hearing relating to medical expenses which the Department did not include in its budget. Since the Department did not include the relevant medical expenses, the Department's calculation of Claimant's remaining deductible was not correct.

It is also noted that Claimant's request for hearing included a request regarding Claimant's son's MA. At the hearing, Claimant stated that he understood that since his son is twenty-three years of age, Claimant's son must apply for his own MA. Claimant indicated he no longer requested a hearing with regard to his son's MA.

# **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusion sof law decides that the Department was correct in its calculation of Claimant's FAP grant, but incorrect in its calculation of Claimant's MA deductible, and it is therefore ORDERED that the Department's decision with regard to the FAP grant is AFFIRMED and the Department's decision with regard to the MA deductible is REVERSED. It is further OR DERED that the Department recall culate Claimant's MA deductible for February 1, 2011, and onward. It is further ORDERED that Claimant's request for a hearing with regard to his son's MA is DISMISSED.

Susan C. Burke
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: April 18, 2011

Date Mailed: April 18, 2011

### 201122481/SCB

**NOTICE**: Administrative Hearings may or der 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 Hear ings will not orde rarehearing 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 receipt of the Decision and Order or, if a ti mely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

#### SCB/ hw

