#### 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.: 201123757 Issue No.: 2026; 3002

Case No.: Load No.:

Hearing Date: April 7, 2011

Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Susan C. Burke

## **HEARING DECISION**

This matter is before the undersigned Administ rative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant so request for a hearing. After due notice, a telephone hearing was held on Apr il 7, 2011. The Claimant so present and testified, along with his spouse, and the compact of Human Services (Department) was represented by FIM, and ES.

#### ISSUE

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:

- 1. Claimant was an ongoing reci pient of FAP and MA in a household of four persons for FAP purposes, and a group of two for MA purposes.
- 2. Claimant received unemployment income of \$724.00 every two weeks.
- 3. Claimant had an obligation for shelter, utilities and heat.
- 4. The Department determined t hat Claimant was entitled to \$384.00 in F AP benefits per month.

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- 5. The Department determined that Claimant's MA was subject to a deductible of \$455.00 per month.
- 6. 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, \$152.00 is deducted from the gross income of FAP re cipients in a household of four in determining F AP grants. Under 7 CF R 273.9, deductions for shelter are also made. BEM 554.

In the present case, according to the af orementioned policy on budgeting for FAP, Claimant had a net monthly inco me of \$946.00. This was obtained by subtracting the standard deduction of \$152.00 for a group of four and the sh elter deduction of \$458.00 from the gross unearned income of \$1,556.00. (Gross unearned income was determined by multiplying 2.15 x Claimant's unemployment amount of \$724.00 received every two weeks (BEM 505, p. 6-7). The amount of a monthly y food assistance allotment is established by regulations a 7 CFR 273. 10. A household of four persons with a net monthly income of \$946.00 is entitled to a monthly FAP grant of \$384.00 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 MCL 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).

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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). BEM105.

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 . PEM 166 T 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 protec ted income levels based on shelter area and fiscal group siz e. BEM 544 An eligible Me dical Assistance group (Group II MA) has income the same as or le ss than the "protected income level" as set forth in the policy contained in the program reference table. An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, an MA group may become e ligible for assistance under the deductible program. A deductible is a process, which a llows a client with excess inc ome to be eligible for MA, if sufficient allo wable medical expenses are incurred. E ach calendar month is a separate deductible period. The fiscal group's monthly excess income is deductible means reporting and verifying called the deductible amount. Meeting a 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.

The monthly protected income level for a Medical As sistance group of two living in Wayne county is \$500.00 per month. RFT 200, 240.

In the present case, Claimant 's net income after allowable MA deductions (\$955.00) exceeds the monthly protected income level (\$500.00) by \$455.00 per month. Claimant is consequently ineligible to receive Medi cal Assistance. However under the deducible program, if the Claim ant in curs medical expenses in ex cess of \$455.00 during the month he may then be elig ible for Medic al Assistance. Claimant argues that he is unable to pay the deductible because of limited means. This Administrative Law Judge does sympathize with the Claimant in this in stance, but does not have the prerequisit e jurisdiction to change or alter Department policy and state law at the present time.

# 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 calculations of Claim ant's FAP grant and MA deductible, and it is therefore ORDERED that the Department's decision is AFFIRMED.

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

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Date Signed: May 3, 2011

Date Mailed: May 3, 2011

**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

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