

STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg No.: 2011-26275
Issue No.: 3002, 2026
Case No.: [REDACTED]
Hearing Date: May 11, 2011
Wayne County DHS (55)

ADMINISTRATIVE LAW JUDGE: Lynn Ferris

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 conducted from Detroit, Michigan on Wednesday, May 11, 2011. The Claimant appeared and testified. Nicole Johnson and Keniqua Bonner appeared on behalf of the Department of Human Services ("Department").

ISSUE

1. Whether the Department properly determined the Claimant's Food Assistance benefits?
2. Whether the Department properly determined the Claimant's Medical Assistance deductible amount?

FINDINGS OF FACT

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

1. The Claimant is an ongoing recipient of Food Assistance ("FAP") and Medical Assistance ("MA").
2. The Claimant's spouse began receiving unemployment benefits January 2011 in the amount of \$516.00 bi-weekly. The Claimant's group receives no other income. (Exhibit 1)

3. The Claimant has a 3 member FAP group.
4. The Claimant's rent expense of \$500.00 and the \$588.00 utility allowance was included to calculate the FAP budget excess shelter deduction. (Exhibit 2)
5. The Claimant currently pays rent in the amount of \$550.00 but has not verified the rent amount.
6. The Department recalculated the Claimant's FAP budget and Medical Assistance budget to include the unemployment income. (Exhibits 3, 4)
7. The Department issued a Notice of Case Action dated February 8, 2011, which decreased the Claimant's monthly FAP benefits and changed the medical assistance to a deductible case in the amount of \$319.00 per month. (Exhibit 5)
8. The Claimant requested a hearing on March 7, 2011, protesting the change in the Medical Assistance and the reduction of Food Assistance benefits.

CONCLUSIONS OF LAW

In the record presented, the Claimant requested a hearing regarding the reduction of his FAP allotment as well as the MA deductible amount. Each program will be addressed separately.

FAP benefits

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. 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 Shelter expense is an allowable expense and includes rent payments. BEM 554 All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. PEM 500 The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 Prospective budgeting is the best estimate of the client's future income for future benefits. BEM 505 All income is converted to a monthly amount. BEM 505 A standard monthly amount must be determined for each income source used in the budget. BEM 505 Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount

by 4.3. BEM 505 Bi-weekly amounts are converted by multiplying the amount by 2.15.
BEM 505

In this case, the Claimant's spouse received \$516.00 bi-weekly in unemployment compensation benefits. The Department correctly prospectively budgeted \$1,109.00 (\$516.00 x 2.15) in monthly unearned income; used the correct group size; and allowed for the shelter deduction. Due to the income, the monthly FAP allotment was reduced to \$373.00. The Department timely notified the Claimant of the determination. Under these facts, the Department established it acted in accordance with Department policy when it reduced the Claimant's FAP allotment due to unemployment compensation income.

MA deductible

The Medical Assistance program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the BAM, BEM, and 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 The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105 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. BEM 105 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. BEM 105

FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 105 Eligibility is determined on a calendar month basis. BEM 105 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. BEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM545 In determining budgetable income for group 2 FIP-related and Healthy Kids MA benefits, BEM 536 is utilized.

In this case, the Claimant's spouse received \$516.00 (bi-weekly) in unemployment compensation benefits. The Claimant has 2 dependents (spouse and child) therefore the Claimant's share of her spouse's prorated income was \$210.00 (\$1,032.00/4.9; BEM 536) This prorated income is then multiplied by 3.9 for the spouse's share of the spouse's income. This amount (\$819.00) is considered the Claimant's net income for purposes of calculating the MA deductible. The income limit of \$500.00 is subtracted from the Claimant's net income resulting in the deductible amount of \$319.00. The Department properly notified the Claimant of the determination. Ultimately, the

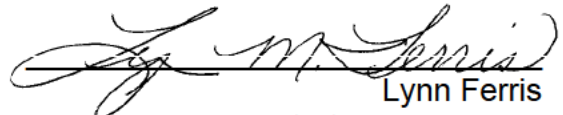
Department established it acted in accordance with Department policy when it calculated the Claimant's MA budget. Accordingly, the Department's MA determination is AFFIRMED.

DECISION AND ORDER

The Administrative Law Judge, based on 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 FAP and MA budgets.

Accordingly, it is ORDERED:

The Department's FAP and MA determinations are AFFIRMED.


Lynn Ferris
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 05/19/11

Date Mailed: 05/20/11

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.

LMF/dj

cc:

