

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-32515
Issue Nos.: 2019, 3002
Case No.: [REDACTED]
Hearing Date: June 8, 2011
DHS County: Wayne (82-18)

ADMINISTRATIVE LAW JUDGE: Jan Leventer

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and Claimant [REDACTED] request for a hearing. After due notice, a telephone hearing was held on June 8, 2011. Claimant appeared and testified at the hearing. [REDACTED]

[REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

ISSUES

1. Whether DHS calculated Claimant's Food Assistance Program (FAP) benefits in accordance with DHS policies and procedures?
2. Whether DHS terminated Claimant's Medical Assistance (Medicaid or MA) benefits in accordance with DHS policies and procedures?

FINDINGS OF FACT

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

1. At all times relevant to this case, Claimant was a DHS customer receiving benefits from the FAP and MA programs.
2. Claimant's FAP benefits are \$16 per month.
3. Claimant's Supplemental Security Income (SSI) is \$1,485.
4. On April 1, 2011, DHS issued a Notice of Case Action informing Claimant that his MA coverage would close effective May 1, 2011, for the stated reason that he

had not met his Patient Pay Amount (spend-down, deductible, or PPA) for at least one of the past three months.

5. On May 5, 2011, Claimant filed a Request for a Hearing with DHS in regard to his FAP and MA.

CONCLUSIONS OF LAW

FAP was established by the U.S. Food Stamp Act of 1977 and is implemented by Federal regulations contained in Title 7 of the Code of Federal Regulations. DHS administers FAP pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules 400.3001-400.3015. DHS' policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables (RFT). These manuals are available online at www.michigan.gov/dhs-manuals.

MA was established by Title XIX of the U.S. Social Security Act and is implemented in the Code of Federal Regulations Title 42. DHS administers the MA program pursuant to MCL 400.10 *et seq.* and MCL 400.105. DHS' policies are found in BAM, BEM and RFT. *Id.*

BAM, BEM and RFT are the policies and procedures DHS officially created for its own use. While the DHS manuals are not laws created by the U.S. Congress or the Michigan Legislature, they constitute legal authority which DHS must follow. It is to the manuals that I look now in order to see what policy applies in this case. After setting forth what the applicable policy is, I will examine whether it was in fact followed in this case.

BEM 556, "Computing the Food Assistance Budget," requires that DHS determine a customer's countable net income by a specific formula which includes a partial deduction for Medicare premiums (\$62), which Claimant does not dispute. Claimant also receives a \$141 standard deduction, which Claimant does not dispute. Claimant's net income after these two deductions is \$1,282.

This \$1,282 figure is then decreased by 30% to arrive at a bottom-line net countable income for Claimant. In this case, this results in a net countable income of \$897 for FAP benefits.

Going next to RFT 260, "Food Assistance issuance Tables," it states that the FAP benefit for a person with a net income of \$897 is \$16. Accordingly, as DHS is providing Claimant with this amount, I find and conclude that DHS acted correctly and is AFFIRMED as to the amount of Claimant's FAP allotment.


The second issue in this case is DHS' termination of Claimant from the MA program. BEM 545, "MA Group 2 Income Eligibility," requires DHS to discontinue Medicaid for a family group that has not met its deductible in at least one of the three calendar months before that month. BEM 545, p. 9.

In this case, Claimant presented no medical expense records to substantiate that he met his deductible for all three of the months of January, February and March 2011. Accordingly, DHS must terminate his Medicaid coverage. *Id.* DHS' action is AFFIRMED with regard to Claimant's MA program coverage.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, states that DHS is AFFIRMED.

DHS need take no further action in this case.



Jan Leventer
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: June 14, 2011

Date Mailed: June 16, 2011

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.

JL/pf

cc:

