

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

IN THE MATTER OF:

[REDACTED]

[REDACTED]

Reg. No. 2011-35476
Issue Nos. 2014, 3015
Case No. [REDACTED]
Hearing Date: June 23, 2011
Macomb (12)

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 23, 2011. The Claimant appeared and testified at the hearing. [REDACTED] Family Independence Specialist, appeared and testified for the Department of Human Services (DHS).

ISSUE

Whether Claimant's eligibility for Food Assistance Program (FAP) and Medical Assistance (MA or Medicaid) benefits was determined 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. In 2010, DHS provided FAP and MA benefits to Claimant for a family of three.
2. In December, 2010, DHS conducted a Redetermination review of Claimant's eligibility and requested current information from Claimant as to income and expenses.
3. Based on current information, DHS recalculated Claimant's income and determined that after deductions, her net income for FAP eligibility purposes, \$1,774, exceeded the DHS FAP maximum income limit of \$1,526.
4. Effective January 1, 2011, Claimant's daughter's MA coverage changed from the MA-Other Healthy Kids (OHK) program to the MA-Group 2 Under 21 (G2U) program, causing Claimant's daughter to have a Patient Pay Amount (PPA, deductible or spend-down) of \$1,773.

5. On December 9, 2010, DHS issued a Notice of Case Action closing Claimant's Medicaid benefits effective December 31, 2010, closing Claimant's daughter's MA-OHK benefits and enrolling her in the MA-G2U program effective January 1, 2011, and, closing Claimant's FAP benefits effective January 1, 2011.
6. On December 17, 2010, Claimant filed a Request for a Hearing with DHS.

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 the FAP program pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules 400.3001-400.3015. Department 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 by Title 42 of the U.S. Code of Federal Regulations. DHS administers MA pursuant to MCL 400.10 *et seq.* and MCL 400.105. DHS policies are found in BAM, BEM and RFT. *Id.*

With regard to the termination of FAP benefits, in reaching my decision, I have reviewed all of the evidence and testimony in this case as a whole. I first reviewed the Agency's FAP calculations to see if Claimant was provided with all of the income deductions to which she was entitled. I see that Claimant received the earned income deduction, the standard deduction and the excess shelter deduction, and I find and determine that these are the only three deductions to which she is entitled.

Turning next to DHS Reference Table 250, "FAP Income Limits," I determine that this policy governs my decision in this case. This chart shows that for a group of three people, the maximum allowable FAP income is \$1,526. As Claimant's net income is \$1,774, it is clear that her group's income exceeds the legal limit for receiving FAP benefits. Therefore I find and conclude that DHS is correct in its calculations. RFT 250.

In conclusion, based on the findings of fact and conclusions of law, I find and conclude that DHS correctly denied FAP benefits to Claimant based on her group income. DHS is AFFIRMED. DHS need take no further action in this case with regard to Claimant's FAP benefits.

Turning now to Claimant's MA benefits, I will first consider whether Claimant's MA benefits were correctly terminated in this case. The stated reason for the termination of

Claimant's MA benefits is that she failed to meet her deductible amount in at least one of the past three calendar months. This policy is set forth in BEM 545, "MA Group 2 Income Eligibility:"

Redetermination

If a group has not met its deductible in at least one of the three calendar months before that month [i.e., the redetermination month]...Bridges will automatically notify the group of closure. BEM 545, p. 9.


Pursuant to BEM 545, I conclude and determine that DHS acted correctly in closing Claimant's MA benefits. DHS is AFFIRMED.

Third, I will consider whether Claimant's child's MA-OHK benefits were closed, and the child's MA-G2U benefits were initiated, in accordance with DHS policy and procedure. Pursuant to BEM 131, "Other Healthy Kids," a child qualifies for this program when the family's net income is less than 150% of the poverty level. For a family of three, the poverty level amount is \$2,289, and for MA calculations, Claimant's net income is \$2,314, which is over the poverty level. Accordingly, I find and determine that DHS correctly terminated Claimant's child from the OHK program. BEM 131; see also, RFT 246, "MA Poverty Levels."

The next and last question is whether Claimant's child is eligible for another MA program, and indeed, she is eligible for the MA-G2U program. However, this program does require a PPA. BEM 132, "Group 2 Persons Under Age 21," p. 1. This deductible is calculated by using the Claimant's net MA income, and deducting a protected income amount specified in RFT 240, "MA Monthly Protected Income Levels." This amount is \$541, and this is the amount DHS deducted in this case. Accordingly, I find that DHS correctly determined that Claimant's child is subject to a \$1,773 spend-down in the MA-G2U program. DHS is AFFIRMED. See also, RFT 200, "MA Shelter Levels."

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, states that DHS is AFFIRMED with regard to the FAP and MA issues in this case. DHS need take no further action in this matter.



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

Date Signed: June 28, 2011

2011-35476/JL

Date Mailed: June 29, 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.

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/cl

cc:

