

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2011-49139  
Issue No.: 2026, 3002  
Case No.: [REDACTED]  
Hearing Date: October 24, 2011  
Oakland County DHS (02)

**ADMINISTRATIVE LAW JUDGE:** Colleen M. Mamelka

**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 hearing was held in Madison Heights, Michigan on Monday, October 24, 2011. The Claimant appeared and testified. The Claimant was represented by [REDACTED]

[REDACTED] appeared on behalf of the Department of Human Services ("Department"). [REDACTED] observed the proceedings.

**ISSUE**

Whether the Department properly processed the Claimant's Medical Assistance ("MA") benefits under the Additional Low-Income Medicare ("ALMB") beneficiaries versus the full-coverage Qualified Medicare Beneficiaries ("QMB") program?

Whether the Department properly calculated the Claimant's food assistance ("FAP") benefits effective April 1, 2011?

**FINDINGS OF FACT**

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

1. The Claimant is a MA and FAP recipient.
2. The Claimant receives Retirement, Survivor, Disability, Insurance ("RSDI") income based on disability and is automatically entitled to Medicare Part A.
3. The Claimant's gross monthly RSDI income as of April 2011 is \$1,212.00.
4. The Claimant's MA case requires she meet a deductible.

2011-49139/CMM

5. The Claimant's monthly chore services income of \$128.00 ended in April 2011. (Exhibit 4)
6. The Claimant's daughter attends college and had earnings from employment through May 2011.
7. The Department calculated the Claimant's FAP benefits for the months of April through August as \$231.00, \$186.00, \$186.00, \$186.00, and \$65.00 respectively. (Exhibits 1, 2)
8. The Claimant pays for her shelter obligation and is responsible for utilities.
9. On February 23<sup>rd</sup>, March 23<sup>rd</sup>, April 11<sup>th</sup>, July 6<sup>th</sup>, July 15<sup>th</sup>, July 26<sup>th</sup>, July 28<sup>th</sup>, August 8<sup>th</sup>, September 27<sup>th</sup>, October 12<sup>th</sup>, and October 18, 2011, the Department received the Claimant's written requests for hearing regarding the Claimant's MA benefit program and FAP benefits.

### **CONCLUSIONS OF LAW**

As a preliminary matter, the Claimant submitted several (see above) requests for hearings all having to do with her MA and FAP benefits. Throughout a calendar month, the Claimant would submit medical bills to put toward her deductible. Each time the bills were submitted, the Department would enter the invoice resulting in Notice(s) being generated regarding both her MA and FAP benefits. Whenever the Claimant received a notice regarding her benefits, she would request a hearing. During the hearing, it was suggested that the Claimant submit her medical bills once a month to avoid multiple Notices being generated, and hence avoid multiple hearing requests regarding the same issues.

#### **Full Coverage QMB versus ALMB**

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 of Human Services, formerly known as the Family Independence Agency, 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 Bridges Reference Manual ("RFT").

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. Medicaid is also known as Medical Assistance ("MA"). BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105. The Medicare Savings Programs are SSI-related MA Categories. BEM 165. The three Medicare Savings Programs are Qualified Medicare Beneficiaries (also known as full-coverage QMB); Specified Low-Income Medicare

Beneficiaries (also referred to as limited coverage QMB); and Additional Low-Income Medicare Beneficiaries (also known as ALMB or Q1). BEM 165.

Income is the major determiner of which category an individual falls under. BEM 165. Effective April 1, 2011, to be eligible for full coverage QMB, income cannot exceed \$908.00; for limited coverage QMB, \$908.00 to \$1,090.00; and for ALMB \$1,090.00 to \$1,226.00. RFT 242. A person who is eligible for one of these categories cannot choose to receive a different Medicare Savings Program category. BEM 165. All eligibility factors must be met in the calendar month being tested. BEM 165. Full coverage QMB pays for Medicare premiums, co-insurances, and deductibles; limited QMB (also known as SLMB) pays Medicare Part B premiums; and ALMB pays Medicare Part B premiums provided funding is available. BEM 165. The Department of Community Health ("DCH") determines whether funding is available. BEM 165. Countable RSDI income is used for the month being tested. BEM 165. For SSI-related MA groups, each person requesting MA is determined separately. BEM 211.

In this case, the Claimant received RSDI income in the monthly gross amount of \$1,212.00. The Claimant's group size for MA purposes is 1. Previously, the Department had erroneously approved the Claimant under the full-coverage QMB program despite being over the applicable income limit. Subsequently, when the Department properly input the Claimant's correct income (\$1,212.00) and group size (1), it was determined that she was eligible under the ALMB program resulting in the Claimant having to meet a deductible. As noted above, to be eligible under the QMB program, the Claimant's monthly income would have to be less than \$908.00. Here, the Claimant's income exceeds this amount and, thus, the Department properly determined MA eligibility under the ALMB program. The DCH currently pays the Claimant's Medicare Part B premiums based on available funding. Accordingly, the Department's MA determination is AFFIRMED as the Claimant is not eligible under the full-coverage QMB program.

### **Food Assistance 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. The Department of Human Services, formerly known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10 *et seq.*, and the Michigan Administrative Code, Rules 400.3001-3015. Department policies are found in the BAM, BEM, and RFT.

Group composition is the determination of which persons living together are included in the FAP program group. BEM 212 A person enrolled in a post-secondary education program must meet certain criteria (such as working and getting paid for at least 20 hours a week) set forth in BEM 245 to be considered an eligible group member. Shelter expense is an allowable expense and includes rent payments. BEM 554. In determining a FAP allotment, a Heat and Utility Standard is used whenever a FAP

group contributes to the heat expense separate from rent, mortgage, or condominium/maintenance 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. BEM 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 child is (was) enrolled in a post-secondary education program; however it is unclear whether she was employed at least 20 hours a week. If yes, the daughter would be an eligible group member, otherwise she would not. The daughter's employment ended in May and, thus, she was no longer an eligible group member based on BEM 245 effective June 2011. In determining the Claimant's FAP eligibility, the Department included the daughter/student as an eligible group member for the months of April through July 2011. Dependent on the daughter's employment, she may have (or not) been an eligible member for April and May 2011. If she satisfies BEM 245, then her income would also be considered in determining eligibility. For the months of June and July, the Department improperly included the daughter as an eligible group member. This inclusion, due to Department error, will likely result in an over-issuance of benefits. In addition, the Claimant's monthly chore services in the amount of \$128.00 ended in April. This earned income was improperly included in the May through July 2011 budgets. Further, in June 2011, the Claimant reported medical expenses that were not considered when calculating the July FAP budget.


For the August FAP allotment, the Department properly removed the Claimant's daughter as an ineligible group member and correctly removed the earned income (chore services) no longer received. For the foregoing reasons, it is found the FAP calculations from April 2011 through July 2011 were incorrect. Accordingly, the Department's FAP determinations for April through July are not upheld while the August FAP calculation is AFFIRMED.

### **DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department's MA determination under the ALMB program is AFFIRMED. It is further held that the Department's FAP calculations for the months of April 2011 through July 2011 are REVERSED while the August 2011 budget is AFFIRMED.

Accordingly, it is ORDERED:

1. The Department's MA determination is AFFIRMED.
2. The Department's FAP calculations for the months of April 2011 through July 2011 are REVERSED.
3. The Department shall recalculate the Claimant's FAP benefits in accordance with this decision (if not previously completed) for the months from April 2011 through July 2011 in accordance with Department policy.
4. The Department shall notify the Claimant and her Authorized Hearing Representative of the determination in accordance with Department policy.
5. The Department's August FAP determination is AFFIRMED.



Colleen M. Mamelka  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: November 2, 2011

Date Mailed: November 2, 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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,

2011-49139/CMM

- typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
- the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at

Michigan Administrative hearings  
Re consideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

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cc:

