

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

IN THE MATTER OF:

[REDACTED]

[REDACTED]  
Kalamazoo County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing received on September 16, 2011. After due notice, a telephone hearing was held on October 20, 2011. The claimant personally appeared and provided testimony. Participants on behalf of Department of Human Services (Department) included [REDACTED]

**ISSUE**

Did the department properly determine Claimant's Food Assistance Program (FAP) and Medicare Savings Program benefits?

**FINDINGS OF FACT**

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

1. On May 3, 2011, Claimant submitted an Assistance Application (DHS-1171) seeking FAP and Medical Assistance (MA) benefits. (Department Exhibits 1-18).
2. At all relevant times, Claimant receives [REDACTED] per month for RSDI. (Department Exhibit 14).
3. On August 24, 2011, the Department sent Claimant a New Hire Client Notice (DHS-4635). (Department Exhibits 26 & 27). Claimant indicated that she worked 24 hours per week as a bagger at [REDACTED] and earns [REDACTED] per hour. (Department Exhibits 26 & 27).
4. On September 6, 2011, the Department mailed Claimant a Notice of Case Action (DHS-1605) which closed her Medicare Savings Program benefits and her FAP benefits. The FAP was closed due to excess income and the

Medicare Savings Program was closed due to ineligibility. (Department Exhibits 35-40).

5. On September 16, 2011, Claimant submitted a hearing request contesting the closure of her FAP and Medicare Savings Program Benefits. (Request for a Hearing).

### **CONCLUSIONS OF LAW**

The client has the right to request a hearing for any action, failure to act or undue delay by the department. BAM 105. The department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) 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 (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. The department's policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Prior to the closure of the hearing record, Claimant testified that the Department had reinstated her FAP benefits. Accordingly, Claimant was satisfied with the Department's actions and did not want to continue with the hearing. The parties have mutually reached an agreement to resolve the FAP matter. Therefore, the only dispute for the Administrative Law Judge to decide concerns the department's determination of her Medicare Savings Program benefits.

The Medical Assistance (MA) program was established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The department administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies for the MA programs are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), the Bridges Reference Manual (BRM), and the Reference Tables Manual (RFT).

The MA program is also referred to as "Medicaid." BEM 105. 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 sub-programs or categories. One category is Family Independence Program (FIP), or cash assistance, recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. However, the eligibility factors for these categories are based on (related to)

the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. BEM 105. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. BEM 105. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. BEM 105.

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. The income limit, which varies by category, is for nonmedical needs such as food and shelter. Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories. BEM 105.

Medicare Savings Programs are SSI-related MA categories, but are neither Group 1 nor Group 2. BEM 165. There are three categories that make up the Medicare Savings Programs. The three categories are: (1) Qualified Medicare Beneficiaries (QMB), which is also called full-coverage QMB; (2) Specified Low-Income Medicare Beneficiaries (SLMB), also known as limited-coverage QMB and SLMB; and (3) Q1 Additional Low-Income Medicare Beneficiaries (ALMB) also referred to as just Q1. BEM 165. Income is the major determiner of category. BEM 165. To be eligible for SLMB, the client's net income must be 100% of poverty, but not over 120% of poverty. BEM 165.

Here, Claimant's monthly earned and unearned income is not disputed. According to Claimant's income, she is not eligible for SLMB. The Department properly determined that Claimant was not eligible for SLMB.

### **DECISION AND ORDER**

Because the parties have mutually reached an agreement to resolve the FAP issue, there is no longer a pending FAP dispute for the Administrative Law Judge to decide. Pursuant to Mich Admin Code R 400.906 and R 400.903, Claimant's hearing request regarding FAP only is DISMISSED as Claimant is no longer aggrieved by department action as it pertains to her FAP benefits.

With regard to the SLMB question, the Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department acted in accordance with policy in determining Claimant's SLMB eligibility.

The Department's SLMB eligibility determination is AFFIRMED.

It is SO ORDERED.

/s/

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C. Adam Purnell  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 10/25/11

Date Mailed: 10/25/11

**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 60 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 timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

CAP/ds

■ [REDACTED]