

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No. 20119262
Issue No. 2001
Case No. [REDACTED]
Hearing Date: March 28, 2011
Wayne County DHS (15)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 held on March 28, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), Vicki Guinn, Specialist, appeared and testified.

ISSUE

Whether DHS properly determined Claimant to be ineligible for Adult Medical Program (AMP) benefits due to excess income.

FINDINGS OF FACT

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

1. Claimant was an ongoing AMP benefit recipient.
2. Claimant received the following gross biweekly employment income from employment as a day care provider: \$251.60 on 8/27/10 and \$295.36 on 9/11/10.
3. On an unspecified date, DHS determined that Claimant had excess income for AMP benefits effective benefit month 10/2010.
4. On 11/30/10, Claimant requested a hearing disputing the termination of AMP benefits.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program 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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Adult Medical Program (AMP) is established by Title XXI of the Social Security Act; (1115) (a) (1) of the Social Security Act, and is administered by the Department of Human Services (formerly known as the Family Independence Agency) pursuant to MCL 400.10, et seq.. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. 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. *Id.* 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. *Id.* AMP is an MA program available to persons not eligible for Medicaid through the SSI-related or FIP-related categories. It was not disputed that Claimant does not meet the FIP-related or SSI-related categories to receive Medicaid.

Income eligibility for AMP exists when the program group's net income does not exceed the program group's AMP income limit. BEM 640 at 3. For all programs, Bridges (the DHS database) counts gross wages except for earned income tax credits, census workers, strikers' earnings, student earnings and flexible benefits. BEM 500 at 5. The undersigned interprets the above policy to mean that a client's gross income is budgeted and following application of income disregards (if any), net income is determined.

For purposes of AMP income-eligibility, DHS is directed to not budget income that results from an extra check (e.g., 5th check for a person who is paid weekly). BEM 640 at 3. DHS is to deduct \$200 from a program group member's gross earnings. *Id.* at 4. DHS is to then deduct 20% of the person's remaining gross earnings. *Id.*

In the present case, DHS testified that two of Claimant's biweekly pays were considered in determining her AMP income-eligibility, a gross payment of \$251.60 from 8/27/10 and

a gross payment of \$295.36 from 9/1/10. Adding the two pays creates a monthly gross income of \$541.96. Applying a \$200 and subsequent 20% deduction results in a net income of \$277 (dropping cents). The AMP net income limit for an independent living individual is \$316. RFT 236 at 1. Claimant's net income is less than the AMP income limit. It is found that Claimant was income-eligible for AMP benefits and that DHS improperly terminated Claimant's AMP benefit eligibility.

The undersigned suspects one of three possible errors accounting for the error by DHS. One possibility is that DHS counted income in the determination that was mistakenly not testified to at the hearing. It is also possible that Bridges, the DHS database, erred in its AMP benefit calculation. It is also possible that DHS wrongly coded Claimant's income as unearned income; if Claimant's income was coded as unearned, then there would not have been any disregards applied to Claimant's gross earnings. Regardless of the explanation, it is found that DHS erred in redetermining Claimant's ongoing AMP eligibility effective 10/2010.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly terminated Claimant's ongoing AMP benefits. It is ordered that DHS reinstate Claimant's eligibility for AMP benefits effective 10/2010 and for all subsequent months. The actions taken by DHS are REVERSED.



Christian Gardocki
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 04/11/11

Date Mailed: 04/19/11

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.

CG/dj

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