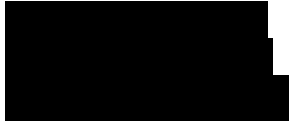


STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

**IN THE MATTER OF:**



Reg. No. 201119432  
Issue No. 2026 3003  
Case No. 1 [REDACTED]  
Hearing Date: March 9, 2011  
Wayne County DHS (55)

**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 9, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], appeared and testified.

**ISSUES**

1. Whether DHS properly determined Claimant's unemployment compensation income (UC) benefits in determining Claimant's FAP benefits.
2. Whether DHS properly failed to apply Claimant's paid 1/2011 medical expenses toward Claimant's 2/2011 Medical Assistance (MA) benefit deductible.

**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 FAP and MA benefit recipient.
2. Claimant received \$ 658/two weeks in gross unemployment compensation benefits.
3. DHS determined Claimant's FAP benefit eligibility based on a gross unearned income of \$1414/month.
4. Claimant was an eligible MA benefit recipient.

5. Claimant was eligible for Medicaid subject to an unspecified deductible.
6. In 1/2011, Claimant submitted an unspecified amount of already paid medical expenses to DHS.
7. Claimant submitted the medical receipts in 1/2011 intending to have them applied toward his deductible in 2/2011.
8. DHS failed to apply the paid medical expenses in 1/2011 toward Claimant's 2/2011 deductible because the expense was already paid by Claimant.
9. On 2/11/11, Claimant requested a hearing disputing the DHS determined amount of his gross UC income in determining his FAP benefits and the failure by DHS to apply a paid medical expense from 1/2011 toward his 2/2011 medical deductible.

### **CONCLUSIONS OF LAW**

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 (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RTM). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

In the present case, Claimant requested a hearing concerning a DHS determination concerning his FAP benefits. Claimant only disputed the amount DHS determined amount of his UC income.

Claimant testified that he received \$563/two weeks in UC income. Claimant failed to bring any documents supporting his testimony.

In determining Claimant's UC income, DHS relied on a document from their database which obtains information directly from the Michigan Unemployment Agency. The document verified that Claimant received a biweekly gross income of \$658/two weeks in UC income. As DHS had written documentation directly from the source paying Claimant's UC, the undersigned is inclined to rely on this document as the most reliable evidence of Claimant's UC income. Claimant had an opportunity to examine the document and agreed that it verified a \$658/two week income.

DHS is to count the gross amount of UC in calculating FAP benefits. BEM 503 at 24. It is possible that Claimant receives less than \$658/two weeks in UC income due to some unspecified reason (e.g. garnishment, recoupment, taxes...) but DHS is still directed to

budget gross income, not net income. It is found that DHS properly determined that Claimant received \$658/two weeks in UC income

DHS converts biweekly non-child support income into a 30 day period by multiplying the income by 2.15. BEM 505 at 6. Multiplying Claimant's countable biweekly UC income by 2.15 results in a monthly countable income amount of \$1414, the same amount as determined by DHS. It is found that DHS properly determined Claimant's income for purposes of determining Claimant's eligibility for FAP benefits.

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.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. BEM 545 at 9. The client must report medical expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.*

A group with excess income can delay deductible for one or more future months based on allowable old bills. BEM 545 at 7. Medical expenses listed under Medical Services (listed in Exhibit I) can be used as old bills if they meet all of the following criteria:

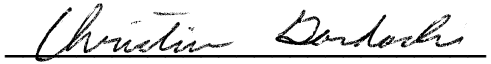
- The expense was incurred in a month prior to the month being tested.
- During the month being tested:
  - The expense is/was still unpaid, and
  - Liability for the expense still exists (existed).
- A third party resource is not expected to pay the expense.
- The expense was not previously used to establish MA income eligibility.
- The expense was one of the following:
  - Incurred on a date the person had no MA coverage.
  - Not an MA covered service.
  - Provided by a non-MA enrolled provider.

- A member of the medical group incurred the expense. This includes expenses incurred by a deceased person if both:
  - The person was a medical group member's spouse or unmarried child under 18.
  - The medical group member is liable for the expense.

Claimant contended that an unspecified paid medical bill incurred from 1/2011 should have been applied by DHS toward his deductible in 2/2011. In order for DHS to apply the expense in 2/2011, the expense would have to qualify as an "old bill". As stated above, an "old bill" requires that the expense be unpaid. It was not disputed that Claimant's submission verified a paid medical expense. Thus, it could not have qualified as an "old bill". Accordingly, it is found that DHS properly did not apply Claimant's paid medical expense from 1/2011 toward Claimant's 2/2011 deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's income in determining Claimant's eligibility for FAP benefits. It is also found that DHS properly did not count an incurred medical expense from 1/2011 toward Claimant's 2/2011 deductible because the expense was paid. The actions taken by DHS are AFFIRMED.

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

Date Signed: 03/16/11

Date Mailed: 03/18/11

**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

cc:

