

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

IN THE MATTER OF THE CLAIM OF:

[REDACTED]

Reg. No.: 201123757
Issue No.: 2026; 3002
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: April 7, 2011
Wayne County DHS

ADMINISTRATIVE LAW JUDGE: Susan C. Burke

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 April 7, 2011. The Claimant was present and testified, along with his spouse, [REDACTED]. The Department of Human Services (Department) was represented by [REDACTED] FIM, [REDACTED] ES, and [REDACTED] ES.

ISSUE

Was the Department correct in its calculation of Claimant's Food Assistance Program (FAP) grant and in its calculation of Claimant's Medical Assistance (MA) deductible?

FINDINGS OF FACT

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

1. Claimant was an ongoing recipient of FAP and MA in a household of four persons for FAP purposes, and a group of two for MA purposes.
2. Claimant received unemployment income of \$724.00 every two weeks.
3. Claimant had an obligation for shelter, utilities and heat.
4. The Department determined that Claimant was entitled to \$384.00 in FAP benefits per month.

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5. The Department determined that Claimant's MA was subject to a deductible of \$455.00 per month.
6. Claimant requested a hearing contesting the amount of the FAP grant and the amount of his MA deductible.

CONCLUSIONS OF LAW

FOOD ASSISTANCE PROGRAM

The Food Assistance Program (FAP) 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 administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in BAM, BEM and PRM, which includes the Reference Tables (RFT.).

The federal regulations define household income to include SSI and RSDI benefits, as well as earned income. 7 CFR 273.9(b) Under 7 CFR 273.9, as amended, and RFT 255, \$152.00 is deducted from the gross income of FAP recipients in a household of four in determining FAP grants. Under 7 CFR 273.9, deductions for shelter are also made. BEM 554.

In the present case, according to the aforementioned policy on budgeting for FAP, Claimant had a net monthly income of \$946.00. This was obtained by subtracting the standard deduction of \$152.00 for a group of four and the shelter deduction of \$458.00 from the gross unearned income of \$1,556.00. (Gross unearned income was determined by multiplying 2.15 x Claimant's unemployment amount of \$724.00 received every two weeks (BEM 505, p. 6-7). The amount of a monthly food assistance allotment is established by regulations at 7 CFR 273.10. A household of four persons with a net monthly income of \$946.00 is entitled to a monthly FAP grant of \$384.00 per month. RFT 260. The Department was therefore correct in its calculation of Claimant's FAP grant.

MEDICAL ASSISTANCE

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 Program Reference Manual (PRM), which includes Reference Tables (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. Medicaid is also known as Medical Assistance (MA). BEM105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, **or**
- Allowable medical expenses equal or exceed the excess income (under the deductible guidelines.) BEM 545.

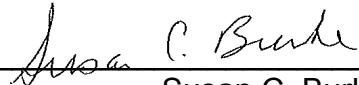
Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does **not** exceed the Group 2 needs in BEM 544. PEM 166 The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544 An eligible Medical Assistance group (Group II MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the program reference table. An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, an MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, 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. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

The monthly protected income level for a Medical Assistance group of two living in Wayne county is \$500.00 per month. RFT 200, 240.

In the present case, Claimant's net income after allowable MA deductions (\$955.00) exceeds the monthly protected income level (\$500.00) by \$455.00 per month. Claimant is consequently ineligible to receive Medical Assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$455.00 during the month he may then be eligible for Medical Assistance. Claimant argues that he is unable to pay the deductible because of limited means. This Administrative Law Judge does sympathize with the Claimant in this instance, but does not have the prerequisite jurisdiction to change or alter Department policy and state law at the present time.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in its calculations of Claimant's FAP grant and MA deductible, and it is therefore ORDERED that the Department's decision is AFFIRMED.



Susan C. Burke
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: May 3, 2011

Date Mailed: May 3, 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 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.

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