

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011 24105
Issue No.: 3002; 2015
Case No. [REDACTED]
hearing Date: April 7, 2011
Office: Macomb County DHS (36)

ADMINISTRATIVE LAW JUDGE: [REDACTED]

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 appeared and testified. The Claimant's spouse [REDACTED] also appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Eligibility Specialist appeared and testified.

ISSUES

1. Whether DHS properly calculated Claimant FAP benefit issuances for February 1, 2011.
2. Whether DHS properly determined Claimant's MA benefits as Medicaid subject to a deductible of [REDACTED]/month.

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 Food Assistance (FAP) and Medical Assistance (MA) recipient. A redetermination was made in January 2011, which updated Mr. Sarkisian's income and decreased the rent amount and a new budget was completed for FAP.
2. The Department issued a Notice of Case Action on January 28, 2011, which determined that the Claimant and his spouse were eligible for GP 2 Caretaker

relative Medical Assistance with a deductible of [REDACTED] per month. The Claimant's Food Assistance was also increased to [REDACTED] per month. Exhibit 1

3. The Claimant has a FAP group of 3 members. The Claimant's verified rent is [REDACTED] per month. Exhibit 3
4. The Claimant was granted the maximum Excess Shelter Deduction of [REDACTED].
5. The Claimant's gross earned income was determined to be [REDACTED] for purposes of calculating the Claimant's Food Assistance benefits. The Claimant was granted a standard deduction for a group of 2 persons in the amount of \$141 and a 20% earned income deduction of [REDACTED]. The Claimant's spouse's income had changed. Exhibit 2
6. A FAP budget was completed and the Claimant's FAP benefit was determined to be [REDACTED]
7. The Claimant was given transitional medical for 12 months and the Claimant was moved into a spend down Medical Assistance due to his income.
8. The Department computed the spend down budget based upon [REDACTED] in income amount budgeted. This amount was determined based upon the 4 pay stubs provided by the Claimant for a four week period December 2010 and January 2011 in the following amounts: [REDACTED] + [REDACTED] + [REDACTED] + [REDACTED] = [REDACTED]. Exhibit 3
9. Claimant requested a hearing on February 22, 2011, disputing the Department's determinations made concerning her FAP and MA benefits.

CONCLUSIONS OF LAW

A. FOOD ASSISTANCE

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 MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

Claimant's primary goal in requesting a hearing was to obtain an explanation as to why her FAP benefit issuances changed so much from the time period prior to the redetermination. The undersigned examined the procedures used in determining Claimant's FAP benefits from the date that the change was made in February 1, 2011. BEM 556 describes how FAP benefits are calculated.

Claimant was an ongoing FAP recipient and experienced a fluctuation in benefits until after the redetermination was complete and the benefits were determined to be [REDACTED]. At the time of Claimant's redetermination, the Department utilized verified income. Claimant verified his income with four checks totaling [REDACTED] during the period examined. (Exhibit 3) The DHS is to count the gross, not net, earned income amount. BEM 503 at 25. Policy then requires that the average weekly amount be determined by dividing the total income by the number of weeks (4) which was determined to be [REDACTED] per week which amount is correct. DHS converts the average weekly income into the monthly amount by multiplying the income by 4.3. BEM 505 pages 6 and 7. Multiplying Claimant's countable weekly income ([REDACTED] 0) by 4.3 results in a monthly countable income amount of [REDACTED]. (dropping cents). The Department correctly computed the monthly countable income. Adjusted gross income is determined by deducting 20% from the earned income amount of [REDACTED] which equals [REDACTED] ([REDACTED] X .80% = [REDACTED].)

Claimant's three person FAP group received a standard deduction of [REDACTED]. RFT 255. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. The adjusted gross income amount is found to be [REDACTED]

Claimant's adjusted gross income was also properly reduced by the Claimant excess shelter deduction in the amount [REDACTED]. The Claimant's rent of [REDACTED] and [REDACTED] utility allowance based on RFT 255 were correctly determined. The excess shelter deduction when subtracted from the adjusted gross income yields \$647 in net income.

Per RFT 260 the correct amount of FAP benefits for a FAP group of three with a monthly net income of \$[REDACTED] is [REDACTED] month, the same amount as calculated by DHS. It is found that DHS properly calculated Claimant's FAP benefits.

B. 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 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.

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. Claimant is a non-pregnant, non-senior, non-disabled caretaker of minor children, who is over 21 years old. Claimant's most beneficial MA program for ongoing Medicaid is through Low-Income Family (LIF) or Group 2 Caretaker (G2C).

For MA redeterminations, DHS has to prospect a client's income using the best available information. Prospecting income means arriving at a best estimate of the person's income. BEM 530 at 3. DHS is to prospect income when estimating income for a future month. *Id.*

Claimant verified weekly gross earned income of [REDACTED]. For all programs, for MA benefits, if prospecting income based on weekly pay stubs, the income is added together to convert to a monthly amount. BEM 530 at 3. Claimant's income for purposes of MA benefits is found to be [REDACTED]/month. The monthly net income limit for a three person LIF group is [REDACTED]/month. RFT 243. Claimant's net income exceeds the income limits for LIF eligibility. It is found that DHS properly denied Claimant LIF benefits.

Though not eligible for LIF benefits, Claimant can still receive Medicaid through the Group 2 Caretaker program which is the program the Department determined applied to the Claimant and her spouse. Income calculations for all Group 2 MA categories are located within BEM 536. The net income calculation starts with Claimant's gross monthly income which is [REDACTED]. Policy first requires that \$90 be deducted from the gross monthly income which yields [REDACTED] BEM 536, page 1. This gross monthly income is divided by the sum of 2.9 and Claimant's number of dependents (one for the Claimant's spouse and one child = 4.29. Dividing [REDACTED] by 4.29 creates a prorated share of income of \$277. Policy next requires that to determine the Adult's fiscal group's net income the following must be totaled:

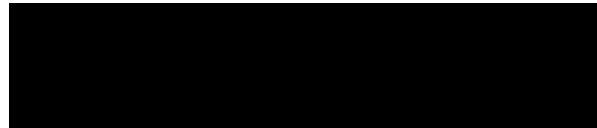
The Adult's net income is determined if the spouse is in the Adult's fiscal group, the spouse's own pro rated share \$277 is multiplied by 3.9 to equal [REDACTED]. BEM536, page 5.

The Department correctly determined that [REDACTED] was the total net income amount.

The last step is to determine the deductible amount. The income limit for G2C eligibility for a group of two is [REDACTED] RFT 240. The amount that Claimant's total net income [REDACTED] exceeds the income limit ([REDACTED] is the amount of Claimant's deductible. (\$ [REDACTED] - \$ [REDACTED] = [REDACTED]). It is found that DHS properly calculated Claimant's G2C eligibility as Medicaid subject to a [REDACTED]/month deductible.

DECISION AND ORDER

The actions taken by DHS are AFFIRMED. The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS accurately determined Claimant's FAP benefit issuance for 2/1/2011. It is further found that DHS accurately determined Claimant's eligibility for MA benefits as Medicaid subject to a \$539/month deductible.



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

Date Signed: 05/18/11

Date Mailed: 05/20/11

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.

LMF/dj

cc: 
Macomb County DHS (Dist #36)



Administrative Hearings