

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

IN THE MATTER OF:

[REDACTED]

Reg. No: 201125539  
Issue No: 2026, 2014, 3002  
[REDACTED]  
Ingham County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on [REDACTED]. After due notice, a telephone hearing was held on [REDACTED].

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) eligibility?

**FINDINGS OF FACT**

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

1. The Claimant is an ongoing Food Assistance Program (FAP) and Medical Assistance (MA) recipient.
2. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED].
3. The Claimant receives monthly Supplemental Security Income (SSI) in the gross monthly amount of [REDACTED].
4. Group member J.G. receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED].
5. On March 10, 2011, the Department denied Medical Assistance (MA) under the Low Income Family (LIF) category do to excess income.

6. The Department approved Medical Assistance (MA) under the MA-G2 category with a medical deductible of [REDACTED]
7. The Department decreased the Claimant's monthly Food Assistance Program (FAP) allotment to [REDACTED] due to a change in group income.
8. The Department received the Claimant's request for a hearing on March 16, 2011, protesting her Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

### **CONCLUSIONS OF LAW**

The Food Assistance Program (FAP) (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 (DHS or Department), 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. BEM 505.

The Claimant is an ongoing Food Assistance Program (FAP) recipient. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]. The Claimant receives monthly Supplemental Security Income (SSI) in the gross monthly amount of [REDACTED]. Group member J.G. receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED]

and this amount was determined by multiplying his bi-weekly unemployment compensation check of [REDACTED] by the 2.15 conversion factor. The Claimant's adjusted gross income of [REDACTED] was determined by subtracting a [REDACTED] standard deduction from his total countable income. The Claimant's excess shelter deduction of [REDACTED] was determined by adding his month shelter expense of [REDACTED] to the [REDACTED] standard heat and utility deduction under the Low Income Home Energy Assistance Program, and subtracting [REDACTED] of his adjusted gross income.

The Claimant's net income of [REDACTED] was determined by subtracting the excess shelter deduction from his adjusted gross income. A claimant with a group size of four and a net income of [REDACTED] is entitled to a FAP allotment of [REDACTED] which is the amount of FAP benefits granted to the Claimant for this period. RFT 260. I find that the Department has established that it acted in accordance with policy determining Claimant's FAP allotment.

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 (DHS or Department) 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

The Claimant receives monthly countable income in the gross monthly amount of [REDACTED]. This was determined by taking the sum of her husband's [REDACTED] bi-weekly unemployment compensation benefit and her [REDACTED] Retirement, Survivors, and Disability Insurance (RSDI) benefit. The income limit for participation in the Low Income Family (LIF) program is [REDACTED]. Therefore, the Department terminated Medical Assistance (MA) under the LIF category for group member J.G., and considered his eligibility for other categories of Medical Assistance (MA).

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). BEM 105.

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. 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. BEM 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 2 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 (RFT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program 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.

A review of claimant’s case reveals that the Department budgeted correct amount of income received by the Claimant. Claimant’s “protected income level” is [REDACTED], and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department’s determination that the Claimant has a [REDACTED] deductible per month she must meet in order to qualify for MA for any medical expenses above is therefore correct.

The Department has established that it properly determined that the Claimant’s Medical Assistance (MA) deductible.

**DECISION AND ORDER**

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 the Claimant’s Food Assistance Program (FAP) and Medical Assistance (MA) eligibility.

The Department’s Food Assistance Program (FAP) and Medical Assistance (MA) eligibility determination is AFFIRMED. It is SO ORDERED.

\_\_\_\_\_/s/\_\_\_\_\_  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: \_\_5/9/11\_\_\_\_\_

Date Mailed: \_\_5/9/11\_\_\_\_\_

