

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

IN THE MATTER OF:



Reg. No: 201127234  
Issue No: 2026  
Case No: [REDACTED]

Hearing Date:  
June 30, 2011  
Genesee 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 March 21, 2011. After due notice, a telephone hearing was held on Thursday, June 30, 2011.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Medical Assistance (MA) and Food Assistance Program (FAP) 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 recipient of Medical Assistance (MA).
2. On March 25, 2011, the Department completed a routine redetermination of the Claimant's eligibility to receive assistance.
3. The Claimant receives monthly unearned income in the gross monthly amount of \$985.
4. The Department completed a MA budget that determined the Claimant was eligible for MA benefits with a \$557 deductible.
5. The Department received the Claimant's request for a hearing on March 21, 2011, protesting his Medical Assistance deductible.

## **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 (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 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 \$408, and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department’s determination that the Claimant has a \$557 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.

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).

Clients must cooperate with the local office in determining initial and ongoing eligibility. This includes the completion of necessary forms. BAM 105. Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. BAM 130. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. BAM 130. The Department uses documents, collateral contacts, or home calls to verify information. BAM 130. A collateral contact is a direct contact with a person, organization, or agency to verify information from the client. BAM 130. When documentation is not available, or clarification is needed, collateral contact may be necessary. BAM 130.

The Claimant was an ongoing Food Assistance Program (FAP) recipient. On April 13, 2011, the Department sent the Claimant a redetermination form with a due date of May 2, 2011. When the Department did not receive the Claimant's Redetermination form or accompanying verification documents, it sent the Claimant a Notice of Missed Interview form. This form notified the Claimant that it was his responsibility to reschedule his redetermination interview. The Department then notified the Claimant that it would close his Food Assistance Program (FAP) benefits.

The Claimant argued that he did turn in his Redetermination form. The Claimant testified that he completed the Redetermination form and dropped it off at the Department's office in person.

The Claimant was unable to present any evidence showing that he returned in the Redetermination form to the Department. Furthermore, when the Claimant received the Department's Notice of Missed Interview form, the Claimant should have been on notice that he should contact his caseworker.

Based on the evidence and testimony available during the hearing, the Department has established that it properly closed the Claimant's Food Assistance Program (FAP) benefits for failure to provide information necessary to determine his eligibility to receive benefits.

**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 Medical Assistance (MA) and Food Assistance Program (FAP) eligibility.

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



---

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

Date Signed: July 18, 2011

Date Mailed: July 19, 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 60 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.

KS/tg

cc:

