

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

IN THE MATTER OF:

[REDACTED]  
[REDACTED]  
[REDACTED]

Reg. No: 201131000  
Issue No: 3002, 2026  
Case No: [REDACTED]

Hearing Date:  
May 31, 2011  
Branch 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 April 28, 2011. After due notice, a telephone hearing was held on Tuesday, May 31, 2011.

**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 recipient of Food Assistance Program (FAP) and Medical Assistance (MA) benefits.
2. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$1,314.
3. There are five children in the Claimant's household, and each of them receive monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$131.

4. The Department determined that the Claimant is eligible for a monthly Food Assistance Program (FAP) allotment of \$780, and he is eligible for Medical Assistance (MA) with a deductible of \$209.
5. The Department received the Claimant's request for a hearing on April 28, 2011, protesting the amount of his Food Assistance Program (FAP) allotment and his Medical Assistance (MA) deductible.

### **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.

In this case, the Claimant is an ongoing recipient of Food Assistance Program (FAP) benefits as a group of eight. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$1,314. There are five children in the Claimant's household, and each of them receive monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$131.

Another child that resides in the home received Retirement, Survivors, and Disability Insurance (RSDI) in the past, but this benefit stopped after her 18<sup>th</sup> birthday. The Department removed this income from the Claimant's benefit case and reevaluated his eligibility to receive benefits.

The Claimant argued that his income has not changed, and that his expenses remain the same since this 18-year-old daughter remains in the household.

While the Claimant's personal income may not have changed, the Claimant's benefits are based on countable household income, which is the sum of all members of the Claimant's benefit group. Benefits are also based on standardized expense deductions, which are defined by Departmental policy and not actual expenses.

The Claimant receives a total countable income in the gross monthly amount of \$1,969. The Claimant's adjusted gross income of \$1,765 was determined by subtracting the \$204 standard deduction for a group of eight. The Claimant's excess shelter deduction of \$360 was determined by adding his monthly shelter expense to the standard heat and utility deduction under the Low Income Home Energy Assistance Program and subtracting 50% of his adjusted gross income.

The Claimant's net income of \$1,405 was determined by subtracting the excess shelter deduction from the adjusted gross income. A claimant with a group size of eight and a net income of \$1,405 is entitled to a FAP allotment of \$780, 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 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 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 \$500, and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department’s determination that the Claimant has a \$209 deductible per month he 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: June 3, 2011

Date Mailed: June 6, 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:

