

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-40190  
Issue No.: 2026; 3002  
Case No.: [REDACTED]  
Hearing Date: August 25, 2011  
Wayne County DHS

**ADMINISTRATIVE LAW JUDGE:** Susan Burke

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon Claimant's request for a hearing. After due notice, a telephone hearing was held on August 25, 2011 in Detroit, Michigan. Claimant appeared and testified. The Department of Human Services (Department) was represented by [REDACTED], FIM, and [REDACTED] Assistance Payments Worker.

**ISSUES**

Was the Department correct in its calculation of Claimant's Medical Assistance (MA) deductible?

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

**FINDINGS OF FACT**

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

1. Claimant was an ongoing MA recipient in an MA fiscal group of one, consisting of Claimant.
2. Claimant was an ongoing FAP recipient in a FAP group of two, consisting of Claimant and her daughter.
3. Claimant had earned income of \$854.00 per month and unearned income of \$250.00 per month.
4. Claimant's daughter had unearned SSI income of \$463.00.

5. The Department determined that Claimant had a net income of \$955.00 per month for MA purposes.
6. The Department determined that Claimant had an MA deductible of \$580.00 per month, effective June 1, 2011.
7. Claimant had an obligation for shelter utilities and heat.
8. The Department determined that Claimant was entitled to \$33.00 per month in FAP benefits, effective July 1, 2011.
9. Claimant requested a hearing contesting the amount of the MA deductible and the amount of FAP benefits.

### **CONCLUSIONS OF LAW**

#### **MA**

The Medical Assistance (MA or Medicaid) program was established by the 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 the Reference Tables (RFT).

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 . BEM 166

In the present case, although the Department and Claimant agreed that Claimant's earned income per month was \$854.00 and Claimant's unearned income per month was \$250.00, the Department did not specify how it arrived at a net income of \$955.00 for MA purposes. Therefore, it cannot be found that the Department was correct in its calculation of Claimant's MA deductible.

#### **FAP**

FAP was 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 CML 400.10 *et seq.*, and MAC R 400.3001-3015. Department policies are found in the BAM, BEM and PRM, which includes RFT.

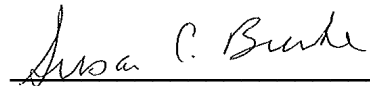
The federal regulations define household income to include SSI benefits 7 CFR 273.9(b). In addition, eighty per cent of earned income is counted in determining FAP benefits. BEM 550. Under 7 CFR 273.9, as amended, \$141.00 is deducted from the gross income of FAP recipients in a household of two in determining FAP grants. Under 7 CFR 273.9 deductions for excess shelter are also made. BEM 554.

In the present case, according to the aforementioned policy on budgeting, Claimant had a net monthly income of \$1,113.00. This was obtained by subtracting the standard deduction of \$141.00 and the excess shelter amount of \$142.00 from eighty per cent of the gross earned income of \$854.00 (\$683.00) plus the unearned income of \$713.00, which consisted of rental income of \$250.00 and Claimant's daughter's SSI income of \$463.00. The amount of FAP benefits received for a group of two receiving net monthly income of \$1,113.00 is \$33.00. RFT 260. Claimant states that her family is having trouble making ends meet, and while I sympathize with Claimant, Department policy does not allow for changes in this instance. Based on the above discussion, I find that the Department was correct in its calculation of Claimant's FAP benefits.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above findings of fact and conclusions of law decides that the Department was correct in its decision with regard to FAP but not correct in its decision with regard to MA. Therefore it is ORDERED that the Department's decision with regard to FAP is AFFIRMED, and the Department's decision with regard to MA is REVERSED.

It is further ORDERED that the Department shall initiate recalculation of Claimant's MA deductible, effective June 1, 2011 and ongoing.



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

Date Signed: 9/1/11

Date Mailed: 9/1/11

**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.

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