

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-51600

Issue No.: 2026, 3002

Case No.: [REDACTED]

Hearing Date: November 2, 2011
Wayne County DHS (41)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

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 hearing was held in Detroit, Michigan on Wednesday, November 2, 2011. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department of Human Services ("Department").

ISSUE

Whether the Department properly calculated the Claimant's Medical Assistance ("MA") deductible?

Whether the Department properly calculated the Claimant's Food Assistance ("FAP") benefits?

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 a MA and FAP recipient.
2. The Claimant's group size is one.
3. The Claimant pays \$725.00/month for shelter and is responsible for utilities.
4. The Claimant receives Retirement, Survivor, Disability, Insurance ("RSDI") income in the amount of \$1,407.00/month. (Exhibit 1)

5. At redetermination in August, the Department included the RSDI income resulting in the Claimant having a deductible MA case. (Exhibit 2)
6. The Claimant's FAP benefits were reduced to \$24.00/month. (Exhibit 3)
7. The Department notified the Claimant of the MA deductible and FAP benefit amount. (Exhibit 3)
8. On August 11, 2011, the Department received the Claimant's timely written request for hearing.

CONCLUSIONS OF LAW

As a preliminary matter, the Claimant requested a hearing regarding his MA deductible and FAP benefit. Each program will be separately addressed.

MA Deductible

The Medical Assistance program is established by the Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations. 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 Bridges Reference Tables ("RFT").

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. BEM 105. Medicaid is also known as Medical Assistance. BEM 105. The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105. Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. BEM 105. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive MA under FIP-related categories. BEM 105

In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 155 through 174 discuss SSI-related categories. BEM 105. Financial eligibility for Group 1 exists when countable income minus allowable expenses equals or is below certain income limits. BEM 105. MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or

exceed the excess income. BEM 545. The fiscal group's monthly excess income is called a deductible amount. BEM 545. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545. FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 545. Eligibility is determined on a calendar month basis. BEM 105. Individuals that are aged (65 or older) blind or disabled fall under the SSI-related Group 2 MA category. BEM 166. The gross RSDI benefit amount is counted as unearned income. BEM 500.

In this case, the Claimant was receiving \$1,407.00/month in RSDI income. At the August 2011 redetermination, the Department properly included the RSDI income when it determined MA eligibility. As a result of the income, the Claimant was eligible for MA benefits, provided a \$1,012.00 deductible is met. The Claimant agreed with the income figure used in calculating his MA deductible but disagreed with having a deductible case. During the hearing, it was explained that the Claimant only had to establish that the medical expenses were incurred, and not necessarily paid for, prior to the activation of MA coverage. Ultimately, the Department established it acted in accordance with Department policy when it calculated the Claimant's MA budget. Accordingly, the Department's determination is affirmed.

FAP calculation

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. The Department of Human Services, formerly known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq.* and the Michigan Administrative Code Rules 400.3001-3015. Departmental policies are found in the BAM, BEM, and RFT.

Group composition is the determination of which persons living together are included in the FAP program group. BEM 212. All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500. In determining a FAP allotment, a Heat and Utility Standard is used whenever a FAP group contributes to the heat expense separate from rent, mortgage, or condominium/maintenance payments. BEM 554.

In this case, at redetermination, the Department properly included the RSDI income. The Claimant's group size is one and he pays \$725.00/month in rent and is responsible for utilities. Initially, the Department entered the incorrect shelter obligation resulting in a FAP allotment effective September 2011 of \$16.00. The Department discovered its error and corrected the shelter expense resulting in a monthly FAP allotment of \$24.00.

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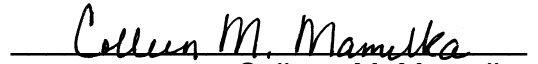
The Department is notified that the Claimant of the \$8.00 supplement. In light of the foregoing, the Department established it acted in accordance with Department policy when it calculated the Claimant's FAP allotment. Accordingly, the Department's FAP determination is affirmed.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds the Department established it acted in accordance with Department policy when it calculated the Claimant's MA deductible and FAP allotment.

It is ORDERED:

1. The Department's MA determination is AFFIRMED.
2. The Department's FAP determination is AFFIRMED.



Colleen M. Mamelka
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: November 7, 2011

Date Mailed: November 7, 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 90 days of the filing of the original request.

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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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
 - misapplication of manual policy or law in the hearing decision,
 - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
 - the failure of the ALJ to address other relevant issues in the hearing decision.

Request must be submitted through the local DHS office or directly to MAHS by mail at
Michigan Administrative hearings
Re consideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CMM/cl

cc:

