

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg No: 20119602
Issue No: 3000, 2026
Case No: [REDACTED]
Hearing Date:
January 6, 2011
Wayne County DHS-18

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 telephone hearing was held on January 6, 2011. The Claimant appeared and testified. Nati Campos FIM and Melanie Brown ES appeared on behalf of the Department.

ISSUE

Was the Department correct in determining Claimant's Food Assistance and Medical Assistance Program 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) Claimant applied for MA benefits on September 29, 2010.
- (2) Claimant was approved for MA benefits with a \$1492 deductible on December 8, 2010.
- (3) Claimant receives unearned income of \$1984.49 from railroad retirement.

- (4) Claimant applied for FAP benefits through the self serve processing center.
- (5) Claimant was approved for FAP benefits beginning on July 28, 2010.
- (6) Claimant's FAP benefits were closed on December 1, 2010 due to excess income.
- (7) The parties reached an agreement regarding Claimant's FAP benefits whereby the Department agreed to reinstate FAP benefits and consider medical expense records submitted by Claimant in December 2010 in determining his FAP benefits.
- (8) Claimant requested a hearing on November 30, 2010, contesting the closure of FAP and determination of MA benefits.

CONCLUSIONS OF LAW

The Food Assistance Program, formerly known as the Food Stamp ("FS") 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"), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Program Reference Manual ("PRM").

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 (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). The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” plus medical insurance premiums as set forth in the policy contained in the program reference table. 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. A deductible 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.)

In the present case, Claimant is contesting the deductible amount for her MA benefits. In determining net income, a standard deduction of \$20 is deducted for SSI-related Medical Assistance recipients (disabled). Claimant’s Railroad retirement benefit is \$2984, after subtracting \$20 for the general exclusion and \$96 for insurance premiums, his net income is \$1867. Claimant’s net income \$1867 exceeds the monthly

protected income level of \$375 by \$1492 per month. Claimant is consequently ineligible to receive Medical assistance. However, under the deductible program, if the Claimant incurs medical expenses in excess of \$1492 during the month he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining his deductible amount.

Under Bridges Administrative Manual Item 600, clients have the right to contest any agency decision affecting eligibility or benefit levels whenever they believe the decision is illegal. The agency provides an Administrative Hearing to review the decision and determine if it is appropriate. Agency policy includes procedures to meet the minimal requirements for a fair hearing. Efforts to clarify and resolve the client's concerns start when the agency receives a hearing request and continues through the day of the hearing.

In the present case, with regard to FAP benefits, the parties reached an agreement regarding Claimant's FAP benefits whereby the Department agreed to reinstate FAP benefits and consider medical expense records submitted by Claimant in December 2010. Since the Claimant and the Department have come to an agreement, it is unnecessary for this Administrative Law Judge to make a decision regarding the facts and issues in this case.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department was correct in the denial of Claimant's

MA application and in determining his deductible amount, and it is ORDERED that the Department's decision is hereby AFFIRMED.

The Department and Claimant have come to a settlement regarding Claimant's request for a hearing as it related to FAP benefits. Therefore, it is ORDERED that the Department reinstate FAP benefits and consider medical expense records submitted by Claimant in December 2010, in accordance with this settlement agreement. Any increase in benefits shall be paid to Claimant in the form of a supplement.



Aaron McClintic
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 02/07/11

Date Mailed: 02/10/11

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.

AM/dj

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