

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

**IN THE MATTER OF:**



Reg. No.: 2012-13316  
Issue No.: 2026; 3003  
Case No.: [REDACTED]  
Hearing Date: December 21, 2011  
County: Wayne (49)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 following Claimant's request for a hearing. After due notice, a telephone hearing was held on December 21, 2011, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits?

Did the Department properly provide Medical Assistance (MA) coverage for Claimant with a \$700 deductible?

**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 applied for MA and FAP benefits on October 24, 2011.
2. At the time of her application, Claimant received gross biweekly unemployment benefits of \$724.

3. On October 27, 2011, the Department sent Claimant a Notice of Case Action informing her that she was entitled to FAP benefits of \$16 per month and Medical coverage with a \$700 monthly deductible.
4. On October 31, 2011, Claimant requested a hearing contesting the Department's action.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

The Food Assistance Program (FAP) [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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

The Medical Assistance (MA) program is 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.

The Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 AACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98

and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

### FAP Benefits

The procedure for calculating a monthly FAP benefit issuance is set forth in BEM 556. The first step begins with calculating the group's monthly gross income for each income source used in the budget. BEM 505. For all programs, the gross amount of unemployment benefits is countable unearned income. BEM 503. To determine the monthly amount for biweekly income, weekly income must be multiplied by 4.3. BEM 505. In this case, Claimant verified that she received \$724 biweekly in unemployment benefits. Based on this weekly figure, the Department properly concluded that Claimant's group had \$1556 in gross monthly unearned income.

A calculation of Claimant's FAP budget based on \$1556 gross monthly unearned income, \$350 monthly rental obligation, and a group size of 2 shows that the Department acted in accordance with Department policy in calculating Claimant's monthly FAP allotment of \$16.

Although Claimant contended that there were three individuals in her FAP group, herself and her two daughters, because one of Claimant's daughters was an 18 year-old full-time college student who did not meet any of the criteria for student eligibility for FAP benefits, she was not an eligible FAP group member. BEM 245.

Claimant also indicated that her unemployment benefits were due to terminate at the end of the year. She was advised to inform her caseworker of this change in order for the Department to recalculate her FAP budget for future months.

### MA Coverage

The Department provided MA coverage to Claimant under Group 2 MA, which is available to parents of minor children. BEM 135. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the Group 2 MA protected income levels (which is based on shelter area and fiscal group size). BEM 105; BEM 166; BEM 544; RFT 240. Individuals eligible for Group 2 MA have income equal to, or less than, the protected income level. An individual or MA group whose income is in excess of the monthly protected income level may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the protected income levels. BEM 545. 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 this case, the monthly protected income level for an MA group of one (Claimant) living in Wayne County is \$375 per month. RFT 200, 240. At the hearing, the Department produced a G2 MA budget showing how the deductible in Claimant's case was calculated. The budget indicated that Claimant's total net income for MA purposes

was \$1075. This amount was calculated in accordance with BEM 530 and BEM 536. Claimant's net income of \$1075 exceeds the monthly protected income level of \$375 by \$700 per month. Thus, the Department properly determined that Claimant is eligible for MA coverage once she incurs medical expenses in excess of \$700 during the month.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department

did act properly when it calculated Claimant's FAP benefits and determined the deductible amount under Claimant's Group 2 MA program.

did not act properly when

Accordingly, the Department's decision is

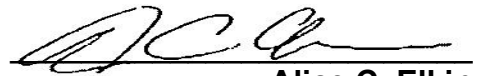
AFFIRMED

REVERSED

AFFIRMED IN PART with respect to AND REVERSED IN PART with respect to for the reasons stated above and on the record.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1.



**Alice C. Elkin**

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

Date Signed: January 6, 2012

Date Mailed: January 6, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

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

ACE/ctl

cc:

[REDACTED]

Wayne County DHS (49)

[REDACTED]

File