

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201215547
Issue No.: 2015
Case No.: [REDACTED]
Hearing Date: February 29, 2012
County: Macomb DHS (12)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 February 29, 2012 from Detroit, Michigan. Participants on behalf of Claimant included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUE

The issue is whether DHS properly determined Medical Assistance (MA) benefit eligibility for Claimant's child.

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's child was an ongoing MA benefit recipient, based on receipt of Supplemental Security Income (SSI).
2. On an unspecified date, Claimant's child's SSI was terminated resulting in an end to MA benefit eligibility for receipt of SSI.
3. On 10/14/11, Claimant reapplied for MA benefits for her child.
4. Claimant was part of a household that included her spouse and her biological child.
5. Claimant received \$724/two weeks in gross unemployment compensation (UC).

6. Claimant's child received \$929.20/month in child support.
7. On 10/19/11, DHS denied MA eligibility through Low Income Family (LIF) to Claimant's child based on excess income.
8. On 10/28/11, Claimant requested a hearing to dispute the denial of MA benefits to her child.
9. On a subsequent date, DHS denied MA benefits through Healthy Kids (HK) but approved the child for Medicaid subject to a \$1488/month deductible.

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 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.

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* 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. *Id.* It was not disputed that Claimant is only potentially eligible for FIP-related MA. Two potential FIP-Related MA programs in which Claimant's child could be eligible are Low Income Family (LIF) and other Healthy Kids (OHK)

It was not disputed that Claimant receives \$724/2 weeks in UC income. Claimant's biweekly income is multiplied by two to convert it to a monthly amount of income (\$1448).

It was also not disputed that Claimant's child received \$929.20/month in child support income. LIF policy allows for a \$50/month deduction. Claimant's total income for purposes of LIF is found to be \$2327.

It should be noted that DHS also counted employment income (presumably, from Claimant's spouse). As no evidence was provided on this issue, it will not be factored into the calculation.

LIF eligibility exists when the LIF group's monthly income does not exceed the LIF income limit. The monthly net income limit for a three person (Claimant, husband and child) LIF group is \$519/month. Claimant's net income exceeds the income limits for LIF eligibility. It is found that DHS properly denied Claimant LIF benefits.

For purposes of MA eligibility through OHK, the child's income (\$929) is reduced by a \$50 child support disregard and then divided by a standard prorate divisor of 2.9 to determine the child's prorated income (\$303). Claimant's income (\$1448) is divided by 4.9 (2.9 + 2 dependents- Claimant's child and spouse) to create the mother's prorated income (\$295).

The child's prorated income is multiplied by 2.9 to create the child's share of child's own income (\$879). The mother's prorated income is multiplied by 3.9 (the prorated divider plus an additional share) to create the mother and child's share of the mother's income (\$1150). The child's share of the child's own income (\$879) is added to the mother and child's share of mother's income to create a countable income of \$2029.

DHS allows for deductions for health insurance premiums, remedial services and ongoing medical expenses. In the present case, there was no evidence of any such deductions. Thus, for purposes of OHK eligibility, the net income is found to be \$2029. The income limit for a two person OHK benefit group (Claimant's spouse is not counted as a group member because he is not Claimant's child's father) is \$1839. RFT 246 at 1. Claimant's income exceeds the income limits for HK eligibility.

Claimant's child can still receive Medicaid through G2U (for being under 21 years of age). The net income calculation for G2C is the same as OHK. The income limit for a two person MA group in Claimant's shelter area is \$541. RFT 240 at 1. The amount that the total net income exceeds the income limit is the amount of Claimant's child's deductible. It is found that Claimant's child is properly eligible for Medicaid subject to a \$1488/month deductible, the same MA benefit eligibility decision made by DHS.

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 determining Claimant's child's eligibility for MA benefits as Medicaid subject to a \$1488/month deductible.

Accordingly, the Department's AMP FIP FAP MA SDA CDC decision is AFFIRMED REVERSED for the reasons stated on the record.



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

Date Signed: March 7, 2012

Date Mailed: March 7, 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 to:

Michigan Administrative hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

CG/hw

cc:

