

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-4248
Issue No.: 2026; 3003
Case No.: [REDACTED]
Hearing Date: November 17, 2011
County: Wayne (17)

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 November 17, 2011, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED] Eligibility Specialist, and [REDACTED] Family Independence Manager.

ISSUE

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

Did the Department properly provide Medical Assistance (MA) coverage for Claimant and her spouse with a \$350 deductible for each?

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 recipient of FAP benefits and MA coverage.
2. Claimant's FAP group size is four and consists of herself, her husband, and their two minor children.
3. In October 2011, Claimant's spouse began receiving unemployment benefits of \$1384 per month.

4. On October 5, 2011, the Department sent Claimant a Notice of Case Action informing her that, effective November 1, 2011, her FAP benefits would decrease to \$345 per month, and that the MA coverage for her and her spouse would each have a \$350 deductible.
5. On October 11, 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 AACCS, 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

In the October 5, 2011, Notice of Case Action, the Department notified Claimant that her FAP benefits were reduced to \$345 per month effective November 1, 2011. 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 income. BEM 503. To determine the monthly amount for weekly income, weekly income must be multiplied by 4.3. BEM 505.

In this case, Claimant verified that her spouse received \$322 weekly in unemployment benefits. Based on this weekly figure, the Department properly concluded that Claimant's group had \$1384 in gross monthly unearned income.

A review of Claimant's FAP budget prepared by the Department shows that the Department acted in accordance with Department policy in calculating Claimant's monthly FAP allotment of \$345 based on \$1384 gross monthly unearned income. Although, based on Claimant's testimony that she did not have a monthly rental or mortgage obligation, it is unclear how the Department determined the excess shelter deduction, this deduction worked in Claimant's favor.

MA Coverage

In the October 5, 2011, Notice of Case Action, the Department also notified Claimant that she no longer qualified for Healthy Kids for Pregnant Women (HKP) MA coverage but that she and her spouse were eligible for Group 2 Caretaker Relatives MA (Group 2 MA) coverage, each with a \$350 monthly deductible.

Claimant was entitled to MA coverage under Healthy Kids for pregnant women (HKP), a FIP-related Group 1 MA category, during her pregnancy, the month her pregnancy ended, and the two calendar months following the month her pregnancy ended. Claimant's child was born on [REDACTED]. Thus, the Department properly ended Claimant's HKP coverage as of November 1, 2011.

The Department provided MA coverage to Claimant and her spouse 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 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. The deductible

is equal to the amount that fiscal 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 two (Claimant and her spouse) living in Wayne County is \$500 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 \$850. This amount was calculated in accordance with BEM 530 and BEM 536. Claimant's net income of \$850 exceeds the monthly protected income level of \$500 by \$350 per month. Thus, Claimant and her husband each have a \$350 monthly deductible. The Department determined Claimant and her spouse's MA coverage and deductible amount in accordance with Department policy.

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 reduced 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: December 13, 2011

Date Mailed: December 13, 2011

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

ACE/ctl

cc: [REDACTED]
Wayne County DHS (17)

[REDACTED]

File