

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2012-46186
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: August 23, 2012
County: Oakland (63-03)

ADMINISTRATIVE LAW JUDGE: Jonathan W. Owens

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 August 23, 2012, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and her mother, [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA)?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On April 4, 2012, the Department determined that Claimant had excess income for MA purposes. This resulted in a spend-down case being opened for Claimant.
2. On April 4, 2012, the Department issued a case action notice indicating that Claimant was eligible for a spend-down MA case. The Department advised Claimant her spend-down amount was \$830 a month.
3. On April 9, 2012, Claimant requested a hearing.

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 ACS, 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.

In the instant case, Claimant requested a hearing protesting the Department changing her MA assistance case to a spend-down. Claimant at hearing agreed that, at the time of the case action, she was receiving \$1,725 in RSDI benefits. The Department presented a copy of the budget used and explained that, while Claimant's gross RSDI is \$1,725, they subtracted \$487 from her gross for her child. This reduced her countable

income to \$1,238. The Department then subtracted another \$408 from this amount, which is the protected income level for a group such as Claimant's. The Department explained the excess income left of \$830 spend-down amount for Claimant.

Claimant asserted the Department utilized the wrong policy when determining the proper MA group for her case. Claimant referenced BEM 155, BEM 156 and RFT 246. BEM 155 applies to what are called 503 individuals. These are clients who previously received SSI and their SSI case ended for whatever reason and they began receiving RSDI. Claimant testified, and the SOLQ presented confirmed, that Claimant never received SSI benefits. Claimant was awarded and only received RSDI benefits. BEM 156 is the Department policy regarding COBRA Windows. This policy is not relevant to Claimant's group. Claimant referenced RFT 246 during the hearing. This policy is not relevant to Claimant's group as it is the percentage of poverty level for particular types of groups, none of which applies to Claimant's group.

The proper policy for Claimant's particular group is BEM 544 (2012), pp 1-3. This policy section specifically states: "Apply the policies in this item to all FIP- and SSI-related Group 2 MA categories." This section of policy references RFT 240 and RFT 200 in regards to determining the protected needs of a group. When reviewing these sections, this Administrative Law Judge found the proper protected needs amount to be \$408.

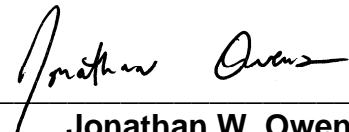
After reviewing the above policy and the budgets submitted for consideration, this Administrative Law Judge finds the Department properly determined Claimant's program group and resulting spend-down amount.

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 determined the Claimant's spend down. did not act properly when .

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



Jonathan W. Owens
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: September 5, 2012

Date Mailed: September 5, 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
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

JWO/pf

cc:

