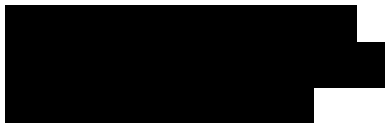


STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:



Reg. No: 201249720
Issue No: 2000, 3002
Case No: [REDACTED]
Hearing Date: June 12, 2012
Washtenaw County DHS

ADMINISTRATIVE LAW JUDGE: Christopher S. Saunders

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on June 12, 2012. The claimant personally appeared and provided testimony.

ISSUES

1. Did the department close the claimant's Medical Assistance (MA) case due to not being categorically eligible?
2. Did the department properly reduce the claimant's Food Assistance Program (FAP) benefits due to excess income?

FINDINGS OF FACT

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

1. The claimant was a recipient of MA and FAP benefits.
2. On April 16, 2012, the claimant reported that she had recently married. (Department Exhibit 2).
3. On April 16, 2012, the claimant also reported that her daughter had moved out of her home. (Department Exhibit 4).
4. Based on the addition and deletion of group members, the department completed a new budget for the claimant and reassessed her eligibility for MA benefits.

5. A new FAP budget was completed which resulted in a reduction of FAP benefits from [REDACTED] to [REDACTED]
6. The claimant was sent a notice of case action (DHS 1605) on April 17, 2012, stating that her FAP benefits had been reduced. (Department Exhibit 12).
7. The notice of case action also stated that the claimant's MA case was being closed effective May 1, 2012 because the claimant is no longer categorically eligible. (Department Exhibit 12).
8. The claimant filed a request for hearing on April 27, 2012, protesting the closure of her MA case and the reduction of her FAP benefits.

CONCLUSIONS OF LAW

The regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in the Michigan Administrative Code, MAC R 400.901-400.951. An opportunity for a hearing shall be granted to an applicant who requests a hearing because his claim for assistance is denied. MAC R 400.903(1).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. The department will provide an administrative hearing to review the decision and determine the appropriateness. BAM 600.

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 of Human Services (DHS or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

For FAP purposes, all earned and unearned income available to Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMP), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Actual income is income that was already received. Prospective income is income not yet received but expected. Prospective budgeting is the best estimate of the client's future income. BEM 505.

In the case at hand, the budget was examined during the course of the hearing. The claimant did not dispute the amounts used by the department in determining the FAP benefit allotment. The department arrived at a monthly net income of [REDACTED]. RFT states that a claimant with a group size of 2 and a monthly net income of [REDACTED] is eligible for FAP benefits in the amount of [REDACTED] per month. Accordingly, the Administrative Law Judge finds that the department properly determined the amount of the claimant's FAP allotment.

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 (DHS or department) 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 MA program is also referred to as Medicaid. BEM 105. The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105. The Medicaid program is comprised of several sub-programs or categories. One category is FIP recipients. BEM 105. Another category is SSI recipients. BEM 105. There are several other categories for persons not receiving FIP or SSI. BEM 105. However, the eligibility factors for these categories are based on (related to) the eligibility factors in either the FIP or SSI program. BEM 105. Therefore, these categories are referred to as either FIP-related or SSI-related. BEM 105.

To receive Medicaid under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant women, receive Medicaid under FIP-related categories. 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. BEM 105.

Claimant may be eligible for MA under one or more categories. Claimants have the right to the most beneficial category; the category that results in eligibility or the least amount of excess income. BEM 105. In relation to MA eligibility based on the claimant receiving SSI, policy states that, in some instances, actual receipt of an SSI cash grant does not preclude MA eligibility. If a claimant does not receive an SSI cash grant due to too much income, that individual may still be eligible for MA benefits. BEM 150.

In the case at hand, the claimant's MA case was closed because she did not meet any of the categorical eligibility requirements. The department representative testified that the claimant had been erroneously receiving MA benefits and that once the error was identified, the department conducted an ex-parte review to determine if the claimant was otherwise eligible for MA benefits. The department representative testified that the claimant had not indicated a disability since her initial application from January, 2010 on any redeterminations or subsequent applications. The department representative further testified that the claimant is not the caretaker of a minor child nor is she over the age of 65. The claimant did not dispute any of these assertions. The Administrative Law Judge finds that the department acted properly in assessing the claimant's MA eligibility after the error was discovered. Additionally, the Administrative Law Judge finds that the claimant has not presented any evidence to show that she is categorically eligible for MA benefits. Accordingly, the department acted properly in accordance with policy in closing the claimant's MA case.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department properly closed the claimant's MA case and properly reduced the claimant's FAP benefits.

Accordingly, the department's actions are **AFFIRMED**.

It is SO ORDERED.

/s/ _____
Christopher S. Saunders
Administrative Law Judge
for Maura D. Corrigan, Director
Department of Human Services

Date Signed: June 19, 2012

Date Mailed: June 20, 2012

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 60 days of the filing of the original request.

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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.

CSS/cr

cc:

