

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201263339  
Issue No.: 2015, 3003  
Case No.: [REDACTED]  
Hearing Date: August 9, 2012  
County: Wayne DHS (17)

**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 August 9, 2012 from Detroit, Michigan. Participants included the above named claimant; [REDACTED] appeared as Claimant's translator. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Manager, and [REDACTED], Specialist.

**ISSUES**

The first issue is whether DHS properly determined Claimant's eligibility for Food Assistance Program (FAP) benefit eligibility as \$139/month.

The second issue is whether DHS determined Claimant's eligibility for Medical Assistance (MA) benefits effective 7/2012 as Medicaid subject to a \$548/month 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 was an ongoing FAP and MA benefit recipient.
2. Claimant was part of a household that included his spouse and two minor children.
3. Claimant received weekly gross employment income of: \$399.38 on 5/3/12, \$439.04 on 5/10/12, \$436.21 on 5/17/12 and \$453.20 on 5/24/12.

4. Claimant's daughter received \$628.20 in gross federal Supplemental Security Income (SSI) benefits.
5. On 6/19/12, DHS determined Claimant's FAP benefit eligibility effective 7/2012 as \$139/month, in part, based on a federal gross SSI amount of \$698/month.
6. On 6/19/12, DHS determined that Claimant and his spouse were eligible for Medicaid subject to a \$548/month deductible effective 7/2012.
7. On 6/29/12, Claimant requested a hearing to dispute the MA and FAP benefit determinations effective 7/2012.

### **CONCLUSIONS OF LAW**

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). DHS 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 Reference Tables Manual (RFT).

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 for which Claimant could be eligible are Low Income Family (LIF) and Group Two Caretaker (G2C).

Claimant's gross employment income pays were not in dispute. For MA benefits, DHS determines countable income by adding four weekly gross pays (see BEM 530). Adding Claimant's four pays from 5/2012 results in countable gross income of \$1727.

LIF budget calculations are outlined in BEM 110. For purposes of LIF eligibility, employment income receives a \$200 + 20% disregard is applied. SSI income is not counted. Claimant's group has a net income for LIF eligibility of \$1221.

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's daughter receiving SSI benefits is not considered) LIF group is \$519/month. Claimant's net

income exceeds the income limits for LIF eligibility. It is found that DHS properly denied MA benefits based on LIF.

Claimant can still receive Medicaid through G2C. Income calculations for all Group 2 MA categories are located within BEM 536. Claimant's gross income for purposes of G2C is \$1727, the same as for LIF eligibility. A \$90 disregard is applied to gross employment income making Claimant's running countable income total \$1637. The running countable income is divided by the sum of 2.9 and Claimant's number of dependents (three dependents- two minor child and Claimant's spouse). Dividing \$1637 by 5.9 creates a prorated share of income of \$277 (dropping cents). That number is multiplied by 2.9 to create the adult's share of the adult's own income of \$803 (dropping cents). An additional \$277 is added (the couple's share of each other's income) to determine a total net income of \$1080 for purposes of G2C eligibility. DHS allows deductions for insurance premiums, remedial services and ongoing medical expenses; none of these expenses were alleged. The income limit for G2C eligibility is \$532. RFT 240 at 1. It is found that DHS properly did not find Claimant eligible for Medicaid under the G2C program.

A recipient with excess income for ongoing Medicaid may still be eligible for Medicaid under the deductible program. Clients with a Medicaid deductible may receive Medicaid if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month.

The amount that Claimant's total net income (\$1080) exceeds the income limit (\$532) for G2C is the amount of Claimant's deductible. It is found that Claimant's Medicaid deductible is \$548, the same amount calculated by DHS.

The Food Assistance Program (formerly known as the Food Stamp 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). DHS administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

Claimant requested a hearing to dispute a FAP benefit determination for 7/2012. FAP benefit determinations are affected by several factors including: household members, income, housing expenses, child support expenses, dependent care expenses, medical expenses and various DHS credits and calculations. The only FAP budget factor in dispute was income.

DHS determined that Claimant's employment income for purposes of FAP eligibility was \$1837 (see Exhibit 1). Claimant estimated that his monthly gross employment income between \$1700 and \$1800.

DHS converts weekly non-child support income into a 30 day period by multiplying the income by 4.3. BEM 505 at 6. DHS is to count the gross employment income amount. BEM 501 at 5. Multiplying Claimant's average weekly gross employment income by 4.3 results in a countable employment income of \$1837/month. It is found that DHS properly determined Claimant's employment income for purposes of FAP benefit eligibility as \$1837/month.

Claimant also raised a dispute concerning the amount budgeted by DHS for his daughter's SSI. Bridges (the DHS database) counts the gross amount of current SSA-issued SSI as unearned income. BEM 503 at 24. SSI amounts withheld to recoup overpayments due to an intentional program violation (IPV) are also included in the gross amount. *Id.*

DHS initially contended that \$698 was the proper gross amount of SSI. Claimant stated that the Social Security Administration (SSA) reduced his daughter's SSI payments by 10% to recoup an over-issuance resulting in a payment of \$628. There was no evidence that the recoupment was fraud-related. After checking a report from the SSA, DHS confirmed Claimant's testimony and conceded that DHS regulations require that \$628/month in SSI be budgeted. It is found that DHS improperly determined Claimant's FAP benefit eligibility effective 7/2012 by improperly budgeting SSI.


### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant and his spouse to be eligible for Medicaid subject to a \$548/month deductible effective 7/2012. The actions taken by DHS are PARTIALLY AFFIRMED.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly determined Claimant's eligibility for FAP benefits. It is ordered that DHS:

- (1) redetermine Claimant's FAP benefit eligibility effective 7/2012 subject to the finding that Claimant's daughter received federal gross SSI of \$628/month; and
- (2) supplement Claimant for any FAP benefits not received as a result of the original improper DHS determination.

The actions taken by DHS are PARTIALLY REVERSED.

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

Date Signed: August 14, 2012

Date Mailed: August 14, 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

CG/hw

cc:

