

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

**IN THE MATTER OF:**



Reg. No.: 201317968  
Issue No.: 2015  
Case No.: [REDACTED]  
Hearing Date: May 2, 2013  
County: Oakland DHS (04)

**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 May 2, 2013, from Detroit, Michigan. Participants included the above-named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly terminated Claimant's child's eligibility for Medical Assistance (MA) benefits based on excess income.

**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.
2. Claimant's child's MA benefit eligibility was due for redetermination.
3. As part of a benefit redetermination, Claimant submitted a Healthy Kids application and listed her monthly employment income as \$980.60/month.
4. On an unspecified date, DHS obtained State of Michigan- Department of Treasury information that Claimant received \$6708.67 over the period of 7/2012-9/2012.
5. DHS redetermined Claimant's child's MA benefit eligibility based on a monthly income for Claimant of \$2236.

6. On 11/14/12, DHS terminated Claimant's child's MA benefit eligibility, effective 12/2012, based on a monthly income of \$2236.
7. On 12/6/12, Claimant requested a hearing to dispute the MA benefit termination.

### **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).

The present case concerns a termination of Claimant's child's MA benefit eligibility. It was not disputed that the only relevant MA benefit program was Healthy Kids. DHS did not provide a budget. Despite the absence of a budget, Claimant's eligibility can be determined based on DHS policy.

MA is available to a person who is under age 19 when net income does not exceed 150% of the poverty level. BEM 131 (10/2010), p. 1. DHS is to apply MA policies in BEM 500, 531, and 536 to determine net income. *Id.*

Part of the dispute concerned Claimant's monthly income. Claimant reported on the most recently submitted OHK application that her monthly income was \$980.80/month. DHS is to consider the income declared by the client as available income unless DHS already has verification that more accurately reflects the client's income. BEM 531 (7/2011), p. 3.

DHS verified, via a match with the Department of Treasury, that Claimant received \$6708.67 for the third work quarter of 2012. DHS divided the income by three to determine a monthly income of \$2236, a substantial difference from what Claimant listed on her application. Claimant conceded that her reported income in her application was her biweekly income, not monthly income.

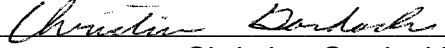
To determine monthly income, DHS is to convert the pay-period amount to a monthly amount using the following: multiply a person's income by four if paid weekly, multiply a person's income by two if paid bi-weekly or twice a month, multiply a person's income by 30 if paid daily. BEM 531 (7/2011), p. 4. Based on Claimant's bi-weekly pays, DHS should have divided Claimant's quarterly income by 4/13 to convert it to a monthly income. This would reflect that there are 13 weeks in a yearly quarter and that DHS policy does not count a true month's worth of income for clients that are paid biweekly. Applying this policy results in a countable monthly income of \$2064.

A \$90 disregard is applied to gross employment income making Claimant's running countable income total \$1974 (dropping cents). The running countable income is

divided by the sum of 2.9 and Claimant's number of dependents (1 dependent- Claimant is not married and has one minor child). Dividing \$1974 by 3.9 creates a prorated share of income of \$506. A child's fiscal group's net income is 3.9 prorated shares of the parent's own income (\$506 x 3.9). This amount is \$1974. The net income limit for OHK is \$1892. RFT (5/2012), p. 1. It is found that DHS properly determined Claimant's child ineligible for OHK eligibility. Accordingly, the termination of MA benefits was proper.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's child's MA benefit eligibility, effective 12/2012. The actions taken by DHS are AFFIRMED.

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

Date Signed: 5/21/2013

Date Mailed: 5/21/2013

**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.

201317968/CG

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:

