

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 20131994  
Issue No.: 2018; 2026  
Case No.: [REDACTED]  
Hearing Date: January 3, 2013  
County: Oakland (03)

**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 January 3, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and [REDACTED] (Claimant's translator and family friend). Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payment Supervisor.

**ISSUE**

Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Transitional MA (TMA) program?

Did the Department properly provide Claimant and her husband with MA coverage with a monthly \$558 deductible for October 2012 ongoing?

**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 MA benefits, receiving full coverage under the TMA program.
2. In connection with Claimant's application for Food Assistance Program (FAP) benefits, the Department recalculated Claimant's MA budget.

3. On September 14, 2012, the Department sent Claimant a Notice of Case Action advising her that, effective October 1, 2012, she and her husband would receive MA coverage each with a monthly \$558 deductible.
4. On September 25, 2012, Claimant filed a hearing request disputing the Department's action.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), and Department of Human Services 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 Mich Admin Code, 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.

Additionally, the Department's exhibits showed that Claimant's family received full-coverage MA under the TMA program from July 1, 2011, until October 31, 2012. Families may receive TMA for up to 12 months when ineligibility for Low-Income Family (LIF) MA coverage relates to income from employment of a caretaker. BEM 111 (October 1, 2012), p 1. Because Claimant and her husband received TMA coverage for more than twelve months, the Department acted in accordance with Department policy when it stopped covering them under the TMA program.

Before closing an MA case, the Department must conduct an ex parte review and consider the client's eligibility for coverage under other MA programs. BAM 210 (November 1, 2012), p 1. In this case, in connection with Claimant's application for FAP benefits, the Department became aware of changes in Claimant's income and recalculated Claimant's MA budgets. Because of an increase in Claimant's income, the Department determined that, effective October 1, 2012, Claimant and her husband were eligible for MA coverage under the Group 2 Caretaker (G2C) program, each with a \$558 monthly deductible, and their two minor children were eligible for full MA coverage under the Other Healthy Kids (OHK) program.

The Department provided copies of MA budgets showing the calculation of Claimant's deductible for September 2012. In determining a client's net income for MA purposes, the Department testified that it considered Claimant's gross monthly income from her employment at [REDACTED] her husband's gross monthly income from his employment at [REDACTED]. BEM 503 (October 1, 2011), p 1; see also BEM 530 (August 1, 2008). On June 30, 2012, Claimant received gross monthly income of \$1250 from [REDACTED] and her husband received gross monthly income of \$600. Based on this information and the fact that there were two minor children in Claimant's home, the Department calculated Claimant's net income of \$1099 in accordance with Department policy. See BEM 536 (October 1, 2010), pp 1-5.

Clients are eligible for full MA coverage when net income does not exceed applicable Group 2 MA protected income levels (PIL) based on the client's shelter area and fiscal group size. BEM 135 (January 1, 2011), p 2; BEM 544 (August 1, 2008), p 1; RFT 240 (July 1, 2007), p 1. In this case, the monthly PIL for an MA group of two (Claimant and her husband) living in Oakland County is \$541 per month. RFT 200 (July 1, 2007), p 1; RFT 240, p 1.

An individual whose income is in excess of the applicable monthly PIL may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that the individual's monthly net income exceeds the applicable PIL. BEM 545 (July 1, 2011), p 2. Because Claimant's monthly total net income of \$1099 exceeds the \$541 PIL by \$558, the Department acted in accordance with Department policy when it concluded that Claimant was eligible to MA coverage under the G2C program with a monthly deductible of \$558.

Although the Department did not provide an MA budget for Claimant's husband, a review of the figures relied upon by the Department in calculating Claimant's deductible shows that the Department acted in accordance with Department policy when it calculated Claimant's husband's monthly deductible of \$558 as well.

At the hearing, the Department also testified that it had received updated income information from Claimant on November 16, 2012, showing a decrease in her gross monthly income to \$750 effective November 1, 2012, and, based on this information, decreased Claimant and her husband's deductibles for November 2012 ongoing to \$226 monthly. Claimant was also concerned because she had received a December 2012 Notice of Case Action from the Department advising her that the MA cases for her and her husband were closing effective January 1, 2013, because the deductible had not been satisfied for the preceding three months. Because these changes occurred after Claimant filed her September 24, 2012, request for hearing resulting in the current hearing, they are not considered in this Hearing Decision. Claimant is advised that she can request a hearing with respect to these Department actions 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 closed Claimant's TMA case and provided MA coverage to Claimant and her husband with a \$558 monthly deductible for October 2012.
- did not act properly when .

Accordingly, the Department's decision is  AFFIRMED  REVERSED for the reasons stated on the record and above.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: January 9, 2013

Date Mailed: January 9, 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.

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/hw

cc:

