

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201324726
Issue No.: 3002, 6019, 2018
Case No.: [REDACTED]
Hearing Date: February 28, 2013
County: Wayne County (76)

ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan. The Claimant appeared and testified. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included [REDACTED] (FIS) and [REDACTED] (FIM).

ISSUES

Whether the Department properly changed the Claimant's medical assistance under the Low-Income Family to Transitional Medicaid?

Whether the Department properly reduced the Claimant's food assistance allotment?

Whether the Department properly denied the Claimant application for Child Development and Care (CDC) benefits at redetermination?

FINDINGS OF FACT

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

1. The Claimant received ongoing food assistance, Medicaid and CDC benefits.
2. On December 11, 2012, the Department sent a redetermination packet to the Claimant regarding CDC benefits only, with verifications due by January 2, 2013.
3. On January 2, 2013, Claimant submitted to the Department, paystubs which

showed changes in her income. Claimant's rate of pay increased from \$8.40 to \$8.50 per hour; she was paid bi-weekly, rather than weekly, and worked more hours. (Exhibit 7 & 8)

4. On January 7 & 17, 2013, the Claimant submitted CDC provider verification forms listing the same provider. (Exhibit 5)
5. The Department notified the Claimant on January 7, 2013, that the CDC provider listed was no longer an active provider in the Department's provider system.
6. In connection with the increase in Claimant's net income documented with the CDC redetermination, the Department recalculated the budget for Claimant's food assistance and Medicaid programs. (Exhibits 1 & 4)
7. On January 12, 2013, the Department mailed Notice of Case Action notifying the Claimant that her food assistance would be reduced from \$367 to \$249.00, effective February 1, 2013; and she was approved for Transitional Medicaid (TMA).
8. On January 17, 2013 Claimant requested a hearing to dispute the reduction in FAP benefits, that she did not have medical coverage and her CDC benefits not being approved with her current child care provider.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT). As a preliminary matter, the Claimant requested a hearing regarding her FAP, MA and CDC benefits. Each program will be addressed separately.

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 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.

FAP

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (November 2012), pp. 1, 2. All income is converted to a monthly amount. BEM 505 (October 2010), p. 1. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 1. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505, p. 6. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505, p. 6.

For FAP purposes, parents and their children under 22 years of age who live together must be in the same group regardless of whether the child(ren) have their own spouse or child who lives with the group. BEM 212 (November 2012), p. 1.

After averaging and then prospectively budgeting Claimant's earnings based on the paystubs provided from employment, the standard monthly amount is \$1260.00. This is the income figure used when the Department determined Claimant's FAP eligibility. The group size for FAP purposes was 2, pursuant to BEM 212. As a result of the increased earned income, the FAP benefits were properly reduced from \$367 to \$249. Claimant asserts that her work hours were increased on the paystubs provided due to the holiday season and did not reflect the regular hours worked. While Claimant indicated she brought additional paystubs to the hearing, which was not previously provided, the Department is required to consider this information in accordance with Department policy to affect *future* FAP budgets. See BAM 220 (November 1, 2012), p 8. A review of the FAP budget based on the information provided to the Department at the time of the action shows the Department acted in accordance with policy when it reduced the Claimant's FAP benefits as a result of the increased earned income.

MA

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 (October 2010), p. 1. The Medicaid program is comprised of several 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, p. 1. In general, the terms Group 1 and Group 2 relate to financial eligibility factors. BEM 105, p. 1. For Group 1, net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105, p. 1. The income limit, which varies by category, is for non-medical needs such as food and shelter. Low Income Family ("LIF") and Transitional Medicaid ("TMA") are FIP-related Group 1 MA categories. BEM 105, p. 3; BEM 110 (January 2011), p.1; BEM 111 (October 2012), p. 1. TMA eligibility is considered only after LIF coverage ends. BEM 111, p. 1. TMA is available for up to 12 months when ineligibility for LIF relates to income from employment of a caretaker. BEM 111, p. 1.

In this case, Claimant received MA benefits under the LIF program. After her earned income increased she was no longer eligible under the LIF program because her monthly gross earnings exceeded the \$626.00 limit. Pursuant to policy, the Department approved the Claimant for TMA coverage effective as of February 1, 2013. According to the Department there was no break in Claimant's medical coverage. While Claimant testified at hearing that she is pregnant, she did not provide this information to the Department prior to the hearing request. TMA recipients who become pregnant must be transferred to Healthy Kids for Pregnant Women (HKP). BEM 111 (October 2012), p. 2. The Department is required to consider the new information in accordance with policy and act accordingly. In light of the foregoing, the Department established it acted in accordance with department policy when it approved the Claimant for MA benefits under the TMA program based on the available information at the time of case action.

CDC

The goal of the Child Development and Care (CDC) program is to preserve the family unit and to promote its economic independence and self-sufficiency by promoting safe, affordable, accessible, quality childcare for qualified Michigan families. The CDC program may provide a subsidy for child care services for qualifying families when the parent(s) is unavailable to provide the child care because of employment, participation in an approved activity and/or because of a condition for which treatment is being received and care is provided by an eligible provider. BEM 703 (October 2012), p.1. While clients have the right to choose the type of child care provider they wish to use. Care must be provided in Michigan by an eligible provider. An unlicensed provider is an adult who is 18 years or older, enrolled by Michigan Department of Education (MDE), to provide care for up to four children at a time or up to six children under certain circumstances. BEM 703, p.1.

In this case, Claimant submitted a child care provider application to the Department on January 7 & 17, 2013. The listed provider was no longer enrolled as an eligible provider in the Department's system as of January 3, 2013. (Exhibit 5, p.1). If a client has questions about the denial of a provider the Department is required to instruct the client to discuss the issue with the provider. Neither CDC providers nor CDC recipients are entitled to an administrative hearing on a provider's denial or closure. BEM 704 (January 2013), p. 6. Claimant did not list any other child care providers to the Department for consideration. Accordingly, the Department's action is Affirmed.

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 the Department acted in accordance with policy when it reduced the Claimant's FAP benefits due to increased earned income. It is further found that the Department's approval for TMA benefits and actions taken in regards to the CDC provider application is upheld.

Accordingly, it is ORDERED:

The Department's FAP, MA, CDC determinations are AFFIRMED.

/s/ _____
MICHELLE HOWIE
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 3/4/2013

Date Mailed: 3/4/2013

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

MH/hw

cc:

