

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201327677
Issue No.: 3002, 2026
Case No.: [REDACTED]
Hearing Date: March 11, 2013
County: Wayne (#15)

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 following Claimant's request for a hearing. After due notice, a telephone hearing was conducted from Detroit, Michigan on Monday March 11, 2013. Participants on behalf of Claimant included [REDACTED] (Daughter) and Claimant. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist) and [REDACTED] (FIM).

ISSUE

Whether the Department properly reduced the Claimant's cash assistance ("FIP") benefits effective February 1, 2013?

Whether the Department properly changed the Claimant's medical assistance (MA) program to have a patient pay deductible in the amount of \$981.00 effective February 1, 2013?

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 is an ongoing FAP and Medicaid recipient.
2. On January 3, 2013 the Department received Claimant's application for State Emergency Relief (SER). (Exhibit 1)

3. Claimant receives \$882/month in Social Security Income (SSI) and \$42.00/quarterly in State Supplemental Income.
4. Claimant's adult daughter ([REDACTED]) resides in the home and receives \$698.00/month in Social Security Income.
5. The Claimant's mortgage expense was reduced to \$573.00/month in November 2012. The daughter assists by paying \$600/month for utility services in the home.
6. The Claimant's shelter expense was previously budgeted by the Department in the amount of \$1012.44; was changed to \$891.36, effective February 1, 2013. (Exhibit 2 & 6)
7. The Claimant's group size is 1. Her adult daughter has her own FAP group.
8. The Department budgeted \$600 paid by the Claimant's daughter for utilities as unearned income (rent) for the Claimant.
9. As a result of the Department attributing the \$600 paid by Claimant's daughter for utilities as additional unearned income (rent), and the decrease in the housing expense Claimant's FAP benefits decreased from \$148.00 to \$107.00 and her MA case was changed to include a patient pay deductible amount of \$981.00 effective February 1, 2013. (Exhibit 5)
10. On January 8, 2013, the Department sent Claimant Notice of Case Action informing her of the changes to the MA and FAP program benefits. (Exhibit 5)
11. On January 31, 2013, the Department received Claimant's written hearing request disputing the actions taken regarding her FAP and MA benefits.

CONCLUSIONS OF LAW

The Department of Human Services policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

FAP

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.

In this case, income and shelter expense changes were identified on the Claimant's January 3, 2013 SER application, which prompted the Department to re-evaluate other open programs based on the noted changes. The Department will evaluate any reported change to determine if it affects eligibility for any programs. BAM 220 (November 2012), p. 1. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. BEM 500 (January 2013), p. 3. All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. SSI and RSDI income, a federal benefit administered by the Social Security Administration, is considered unearned income and the gross income amount is counted. BEM 503 (November 2012), p. 25.

The Department received verification information from the Claimant which indicated she receives \$600 in rent from her adult daughter that lives in the same home. Based on that information the Department budgeted the \$600 as additional unearned income available to the Claimant in determining her eligibility for both FAP and MA benefits. Claimant provided testimonial evidence at hearing explaining that the \$600 was not paid to her directly for rent but rather the daughter pays the utilities in the home with the \$600.00. There was also a discrepancy noted in the housing expenses allotted by the Department in its determination of Claimant's eligibility for FAP benefits effective February 1, 2013. The Department can only determine a client's benefit eligibility based on available information. It had no way to know that the \$600 as reported was not actual rent income or that the housing expenses were not accurate on the available information. Therefore, the Department did not error by relying on the verifications provided by Claimant in determining the FAP eligibility. While Claimant provided additional explanation regarding the \$600 and her housing obligation that was different than previously provided, the Department is required to consider these reported changes in accordance with Department policy to affect *future* FAP budgets. BAM 220 (November 1, 2012), p 8.

A review of the FAP budget based on the information before the Department at the time of determination shows that the Department acted in accordance with policy when it concluded Claimant had monthly unearned income of \$1,496.00 and was eligible for monthly FAP benefits of \$107 effective February 1, 2013. BEM 556 (October 1, 2011); RFT 260 (December 1, 2012), p. 9. The Department agrees that it will re-run the Claimant's FAP budget with updated information regarding the \$600 unearned income and accurate housing expense.

MA

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 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; one category is for FIP recipients while another is for SSI recipients. BEM 105, p. 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. 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. BEM 105 Medical expenses are not used when determining eligibility for FIP-related and SSI-related Group 1 categories. BEM 105, p. 1. For Group 2, eligibility is possible even when net income exceeds the income limit. This is because incurred medical expenses are used when determining eligibility for FIP-related and SSI-related Group 2 categories.

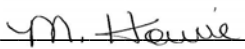
In this case, Claimant received MA benefits under an SSI-related Group 2 program. As discussed above, the Department included \$600 as unearned income for the Claimant in its eligibility determination. The additional income resulted in Claimant having a MA deductible amount of \$981.00. Claimant further testified that she had medical bills that were not considered in the MA eligibility determination. As discussed above, the Department relied upon the available information provided by Claimant in the MA eligibility determination. The Department agrees that it will re-run the Claimant's MA budget with the updated information and will consider the medical bills.

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 acted in accordance with policy based on the available information when it reduced the Claimant's FAP benefits to \$107.00 and changed the MA benefits to have a patient pay amount of \$981.00 effective February 1, 2013.

Accordingly, the Department's actions are hereby, AFFIRMED.

As agreed during the hearing, the Department will re-run the eligibility budgets for both Claimant's MA and FAP benefits based on the information provided at hearing within 10 days of mailing of this Decision and Order.



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

Date Signed: 3/19/2013

Date Mailed: 3/19/2013

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:

