

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

IN THE MATTER OF:



Reg. No.: 201345615
Issue No.: 3002, 2012
Case No.: [REDACTED]
Hearing Date: June 5, 2013
County: Wayne County (#18)

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 Wednesday, June 5, 2013. The Claimant appeared and testified. Participants on behalf of Department of Human Services (Department) was [REDACTED] (Eligibility Specialist) and [REDACTED] (Family Independence Manager).

ISSUE

Whether the Department properly reduced the Claimant's Food Assistance Program (FAP) benefits?

Whether the Department properly determined the amount of the Claimant's Medical Assistance (MA) 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. The Claimant is an ongoing FAP and MA recipient with a group size of two.
2. The Claimant receives \$1265/monthly in RSDI unearned income which includes \$104.90/monthly for Medicare Part B premium. (Exhibit 1)

3. The Claimant's housing expense is \$900/monthly plus the heat/utility standard of \$575 resulting in an excess shelter deduction of \$469. (Exhibit 2)
4. On April 25, 2013, the Department sent Notice of Case Action notifying Claimant that her FAP benefits would be \$172 effective May 1, 2013; and that she would have a MA deductible of \$770 effective April 1, 2013. (Exhibit 3)
5. On May 6, 2013, the Department received the Claimant's written hearing request concerning the Department action.

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).

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 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. Claimant acknowledged the receipt of RSDI income of \$1265.00. Notably, the Claimant's RSDI income increased to \$1,295 as of January 2013.

The FAP budget shows the Department applied the \$148 standard deduction applicable to a FAP group size of two, the \$575 standard heat and utility deduction available to all FAP recipients and the correct housing cost amount of \$900 for the group. The Claimant's group net income is \$648 after all applicable deductions. The allotment amount for a group size of 2 with net income of \$648 is \$172.00. RFT 250 (November 2012).

For the MA program in general net income must be at or below a certain income level for eligibility to exist. BEM 105 (October 2010), p. 1. The protected income limit is a set allowance, which is based on shelter area and group size, for non-medical needs such as food, shelter and incidental expenses. An individual or MA group whose income exceeds the monthly protected income level is ineligible to receive MA. However, an individual or MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 9. Here, the Claimant's MA net countable income (\$1,145) exceeds the monthly protected income level for a group size of 1 (\$375) by \$770 per month. Claimant is consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if the Claimant incurs medical expenses of \$770 during any month she may then be eligible for MA benefits. Claimant asserts that she is unable to pay the deductible per month because of limited means. While the undersigned does sympathize with the Claimant, there is no jurisdiction to change or alter Department policy or state law.

After a review of both the FAP and MA budgets shows the Department acted in accordance with policy when it determined Claimant's FAP allotment of \$172; and determined Claimant to have a MA deductible of \$770.

Accordingly, the Department's action is upheld.

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 properly with regards to determining the Claimant's FAP and MA eligibility.

Accordingly, the Department's FAP MA determination is hereby, **AFFIRMED**.



Michelle Howie
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 6/13/2013

Date Mailed: 6/13/2013

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:

