

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-38061  
Issue Nos.: 2026, 3002  
Case No.: [REDACTED]  
Hearing Date: July 11, 2013  
County: Wayne (82-18)

**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 July 11, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

**ISSUE**

1. Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Ad-Care program and provide Claimant with MA coverage subject to a monthly \$640 deductible?
2. Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits effective May 1, 2013, 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. In connection with a redetermination, the Department recalculated Claimant's MA and FAP eligibility.
2. In a March 19, 2013, Notice of Case Action, the Department notified Claimant that, effective May 1, 2013 (i) his MA coverage under the Ad-Care program would close and he would receive MA coverage subject to a \$640 monthly deductible and (ii) his FAP benefits would be reduced to \$177 monthly.

3. On March 26, 2013, Claimant filed a hearing request, disputing the Department's actions.

### **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 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.

In his request for hearing filed on March 26, 2013, Claimant requested a hearing concerning his MA case and his State Emergency Relief (SER) case. At the hearing, Claimant testified that he was not concerned about any SER application or case. Rather, he was concerned about his MA and FAP cases. Because Claimant's request for hearing was tied to a March 19, 2013, Notice of Case Action that, in addition to notifying Claimant of the conversion of his MA case to a deductible case, also notified him of the reduction of his FAP benefits to \$177 monthly, Claimant's FAP benefits, as well as his MA coverage, were considered at the hearing.

### **Closure of Ad-Care Case**

Following a redetermination, the Department sent Claimant a March 19, 2013, Notice of Case Action notifying him that, effective May 1, 2013, his MA coverage under the Ad-Care Program would close and he would be eligible for MA subject to a monthly \$640 deductible. The Ad-Care program provides full MA coverage to disabled clients who meet the net income limit. BEM 163 (October 1, 2010), p. 1. At the hearing, the Department explained that Claimant was no longer was eligible for full-coverage MA under the Ad-Care program because he began receiving gross monthly Retirement, Survivors and Disability Insurance (RSDI) benefits of \$1,035 as of January 1, 2013, which caused him to exceed the income limit for Ad-Care eligibility. The applicable income limit under the Ad-Care program in effect in May 2013, when the Department closed Claimant's Ad-Care coverage, for a one-member MA fiscal group (consisting of

Claimant) was \$958. BEM 163, p. 2; BEM 211 (November 1, 2012), pp. 5-6; RFT 242 (May 1, 2012), p. 1.

In this case, Claimant verified his gross monthly RSDI income of \$1,035. Claimant's gross monthly unearned income of \$1,035 is reduced by a \$20 disregard, resulting in a net unearned income of \$1,015. See BEM 163, p. 2; BEM 530 (October 1, 2012); BEM 541 (January 1, 2011), p. 3. Because Claimant's group's net income of \$1,015 exceeded the \$958 income limit under the Ad-Care program, the Department acted in accordance with Department policy when it closed Claimant's MA coverage under the Ad-Care program.

### **MA Deductible**

The Department testified that, although Claimant was not eligible for full-coverage MA, he was eligible for MA with a monthly \$640 deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (October 1, 2010), p. 1; BEM 166 (October 1, 2010), pp. 1-2; BEM 544 (August 1, 2008), p. 1; RFT 240 (July 1, 2007), p. 1. The monthly PIL for an MA group size of one living in Wayne County is \$375 per month. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$375, he may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly income exceeds \$375. BEM 545 (July 1, 2011), p. 2.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net income totaled \$1,015. BEM 530 (October 1, 2012), p. 1; BEM 541 (January 1, 2011), p. 3. The evidence at the hearing showed that Claimant had not presented the Department with any medical expenses he incurred prior to the hearing date that qualified as need items under policy. See BEM 541; BEM 544.

Because Claimant's net income of \$1,015 for MA purposes exceeds the monthly protected income level of \$375 by \$640, the Department calculated Claimant's monthly \$640 MA deductible in accordance with Department policy.

### **FAP Benefits**

The March 19, 2013, Notice of Case Action also informed Claimant that his monthly FAP benefits would decrease to \$177 effective May 1, 2013. Because Claimant had not identified his FAP benefits as a concern in his request for hearing, the Department had not provided a FAP budget with its hearing packet. However, the figures in the Notice of Case Action were reviewed with Claimant at the hearing.

As indicated above, Claimant verified that he received monthly gross RSDI income of \$1,035. He also confirmed that he was the sole member of his FAP group. Therefore,

he was eligible for a \$148 standard deduction, as shown on the Notice. See RFT 255 (October 1, 2012), p. 1. The Notice showed that Claimant's monthly housing expenses were \$550. Although Claimant testified that his housing costs had increased, he confirmed that, at the time of the redetermination, his rent was \$550 and he had not reported and verified the increased rent to the Department. Therefore, the Department properly considered \$550 as Claimant's housing costs. The Notice also shows that Claimant received the \$575 standard heat and utility deduction available to all FAP recipients. See BEM 554 (October 1, 2012), pp. 11-14, 18. Because the Department established that the State paid Claimant's Part B Medicare premium and Claimant had not verified any other current medical expenses, Claimant was not eligible for any medical expense deductions. See 554, pp. 6-9. The Notice also shows that Claimant received an \$87 deduction for child support payments he made. While Claimant testified that he paid \$95 in monthly child support, during the hearing, the Department reviewed the consolidated inquiry showing that Claimant's monthly child support obligation was reduced to \$87 beginning March 2013. In the absence of any documentary evidence from Claimant establishing a different amount, the Department properly considered \$87 in monthly child support payments for purposes of Claimant's FAP budget. See BEM 554, p. 5.

Based on these figures, the Department calculated Claimant's net income of \$75 in accordance with Department policy. See BEM 556 (July 1, 2011), pp. 1-6. Because clients with net income of \$75 are eligible for monthly FAP benefits of \$177, the Department acted in accordance with Department policy when it calculated Claimant's FAP benefits. RFT 260 (December 1, 2012), p. 1.

### **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 Department policy when it closed Claimant's Ad-Care case and provided him with MA coverage subject to a monthly \$640 deductible and when it calculated Claimant's monthly FAP benefits of \$177.

Accordingly, the Department's MA and FAP decisions are AFFIRMED.



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

Date Signed: July 15, 2013

Date Mailed: July 16, 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 affect 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/pf

cc:

