

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

IN THE MATTER OF:

██████████
██
████████████████████

Reg. No.: 2013-67175
Issue No.: 3000;2026
Case No.: ██████████
Hearing Date: October30, 2013
County: Oakland (03)

ADMINISTRATIVE LAW JUDGE: Zainab Baydoun

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a three way telephone hearing was held on October 30, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant . Claimant's Authorized Hearing Representative, ██████████ was not present. Claimant wished to proceed with the hearing in her absence. Participants on behalf of the Department of Human Services (Department) included ██████████, Assistance Payment Supervisor.

ISSUE

Did the Department properly process Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefits?

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 FAP benefits.
2. The Department sent Claimant a Notice of Case Action informing him that effective September 1, 2013, he was approved for FAP benefits in the amount of \$ ██████████ monthly. (Exhibit 3)
3. Claimant was receiving MA benefits under a SSI Related MA program with a deductible of ██████████.

4. Claimant submitted medical bills to the Department to verify that he had incurred sufficient expenses to meet his MA deductible.
5. On August 30, 2013, Claimant submitted a hearing request disputed the calculation of his deductible and the Department's failure to process medical expenses that he submitted.

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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

FAP

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

The hearing was requested to dispute the Department's action taken with respect to Claimant's Food Assistance Program (FAP) case. Shortly after commencement of the hearing, Claimant testified that he understands the actions taken by the Department and that he no longer had any issues to address with respect to his FAP case. Claimant confirmed that he did not wish to proceed with the hearing with respect to his FAP case. The Request for Hearing was withdrawn. The Department agreed to the dismissal of the hearing request. Pursuant to the withdrawal of the hearing request filed in this matter, the Request for Hearing with respect to FAP is hereby **DISMISSED**.

MA

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

Additionally, deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. BEM 545 (July 2013), p 10.

Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (July 2013), p 1; BEM 166 (July 2013), pp 1-2; BEM 544 (July 2013), p 1; RFT 240 (July 2007), p 1. The monthly PIL for an MA group of two (Claimant and his son)

living in Oakland County is ██████0 per month. RFT 200 (July 2007), p 1; RFT 240, p 1. Thus, if Claimant's net monthly income is in excess of the \$█████ he may become eligible for assistance under the deductible program, with the deductible being equal to the amount that his monthly income exceeds \$█████. BEM 545, p 1.

At the hearing, the Department testified that a SSI-Related MA budget was used to calculate the deductible in Claimant's; however, this budget was not provided at the hearing. The Department testified that in calculating Claimant's unearned income, it considered monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits in the amount of ██████ received by Claimant and his monthly Veteran's benefits in the amount of ██████. Claimant verified the amounts relied on by the Department. The Department properly subtracted the ██████ disregard to establish Claimant's total net income for MA purposes at \$1,169.00. BEM 530 (July 2013), p 1; BEM 541 (July 2013), p 3.

Because Claimant's net income of ██████ MA purposes exceeds the monthly protected income level of \$█████0 by ██████ the Department calculated Claimant's monthly ██████ MA deductible in accordance with Department policy.

Additionally, Claimant testified that each month, he and his doctors submit medical expenses to the Department to verify that he had incurred sufficient expenses to meet his MA deductible. Claimant stated that he has submitted expenses every month since his redetermination last year. Claimant testified that the last time he submitted expense to the Department was in October 2013 and that due to a no contact order put in place preventing him from going to the local office, the expenses are submitted through the mail and through a contact person at the local police department.

The Department stated that there are no medical expenses on Bridges for Claimant and that none have been processed since 2012. Although they were not provided at the hearing, Claimant indicated that he has proof of the expense forms submitted to the Department and the medical bills incurred. In addition, Claimant presented a prior Hearing Decision in which the Department was ordered to process Claimant's medical expenses and comply with a previous Order to do the same thing. (Exhibit A). This establishes that the Department was put on prior notice of the issues relating to the improper processing of Claimant's medical expenses. Therefore, the Department has failed to satisfy its burden in establishing that it acted in accordance with Department policy when it did not consider the medical expenses submitted by Claimant.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it calculated Claimant's deductible. It is further found that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it failed to apply Claimant's medical expenses to his deductible.

DECISION AND ORDER

Accordingly, Claimant's hearing request with respect to FAP is DISMISSED. The Department's decision is AFFIRMED IN PART with respect to the calculation of Claimant's MA deductible and REVERSED IN PART with respect to the processing of Claimant's medical expenses.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Review Claimant's case file to determine if hard copies of the medical expenses were received;
2. If there are no medical expenses in Claimant's case file, the Department is to notify Claimant, seek verification of medical expenses incurred, and allow Claimant to submit the medical expenses for processing;
3. Process Claimant's medical expenses and apply them towards Claimant's deductible in accordance with Department policy; and
4. Notify Claimant of its decision in writing in accordance with Department policy.



Zainab Baydoun
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: November 1, 2013

Date Mailed: November 1, 2013

NOTICE OF APPEAL: 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;

- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

ZB/tm

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]