

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 20144288
Issue No.: 2026, 3003
Case No.: [REDACTED]
Hearing Date: November 13, 2013
County: Washtenaw

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 telephone hearing was held on November 13, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] (Claimant) and [REDACTED] (Claimant's husband). Participants on behalf of the Department of Human Services (Department) included [REDACTED] (Eligibility Specialist).

ISSUES

Did the Department properly determine Claimant's Food Assistance Program (FAP) benefits?

Did the Department properly determine Claimant's eligibility for Medical Assistance (MA) or Medicaid?

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 active for FAP with a group size of 8 and a monthly allotment of [REDACTED].
2. On September 23, 2013, the Department mailed Claimant a Notice of Case Action (DHS-1605) which: (1) denied Claimant's Group 2 Caretaker Relatives MA deductible effective November 1, 2013, because "the deductible had not been met in at least one of the last 3 months" and (2) Reduced Claimant's FAP to [REDACTED].
3. On October 2, 2013, Claimant requested a hearing concerning FAP and MA.

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).

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 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.

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. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545.

The department is authorized to close an active deductible case when any of the following occur:

- No one in the group meets all nonfinancial eligibility factors.
- Countable assets exceed the asset limit.
- The group fails to provide needed information or verification. BEM 545.

The department is instructed to add periods of MA coverage each time the group meets its deductible. BEM 545.

With regard to Claimant's request for hearing concerning FAP, the Department concedes that it made an error when it reduced Claimant's monthly FAP from [REDACTED] to [REDACTED]. According to the Department, the Department improperly budgeted Claimant's household FAP when it used a check stub from one week's earnings ([REDACTED]) as the 30 day income. This resulted in an overissuance of FAP benefits based on [REDACTED] income. Claimant did not dispute this and did not provide any arguments to refute the Department in this regard. The evidence shows that the Department did, in fact, miscalculate Claimant's monthly FAP and when they discovered the error, promptly corrected it. Unfortunately, the correction of the error resulted in a FAP decrease to [REDACTED]. The Department acted properly with regard to FAP.

As to Claimant's request for hearing concerning MA, the Department contends that Claimant failed to properly turn in receipts for the purposes of the MA deductible. Claimant does not dispute this. Here, Claimant was active with the MA program but she did not report any medical expenses to the department "by the last day of the third month following the month in which the group wants MA coverage." See BEM 545.

The evidence shows that Claimant did not provide the Department with any deductible reports along with proof of any medical expenses for three months prior to November 1, 2013.

Therefore, based on the material, competent and substantial evidence, this Administrative Law Judge finds that the department properly determined the Claimant's MA eligibility because Claimant failed to meet her deductible for over three (3) consecutive months.

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 reduced Claimant's FAP and closed the MA case for failure to meet the deductible.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.

IT IS SO ORDERED.

/s/ _____
C. Adam Purnell
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: November 14, 2013

Date Mailed: November 15, 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

CAP/aca

cc:

