

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2013-17295  
Issue No.: 2026, 3015  
Case No.: 1 [REDACTED]  
Hearing Date: February 7, 2013  
County: Wayne (76)

**ADMINISTRATIVE LAW JUDGE:** Colleen M. Mamelka

**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 Thursday, February 7, 2013. The Claimant appeared and testified. Participating on behalf of Department of Human Services ("Department") was [REDACTED] and [REDACTED].

**ISSUE**

Whether the Department properly changed the Claimant's medical assistance ("MA") case to a deductible due to excess income?

Whether the Department properly terminated the Claimant's food assistance ("FAP") benefits effective January 1, 2013 due to excess income?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material, and substantial evidence on the whole record, including testimony of witnesses, finds as material fact:

1. The Claimant was a MA and FAP recipient.
2. The Claimant's group size is 4.
3. The Claimant's minor child receives SSI in the amount of \$528.00/month. (Exhibit 3).
4. The Claimant's minor child also receives State Supplemental Income quarterly in the amount of \$42.00.

5. On November 30, 2012, the Department received a Wage Verification form completed by the Claimant's employer. (Exhibit 2)
6. The Claimant is employed as an Activities Director earning \$19.50/hour. (Exhibit 2).
7. The Department re-determined FAP eligibility and included the Claimant's verified income.
8. On December 4, 2012, the Department sent a Notice of Case Action to the Claimant informing her that her FAP benefits would terminate effective January 13, 2012 based on the Claimant's net income exceeding the applicable limits. (Exhibit 4)
9. The Notice of Case Action further notified the Claimant that she was approved for MA benefits with a deductible due to her earnings from employment. (Exhibit 4)
10. On December 13, 2012, the Department received the Claimant's timely written request for hearing.

### **CONCLUSIONS OF LAW**

Department policies are found 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 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. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, Rules 400.3001 through Rule 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. The Department, formerly known as the Family Independence Agency, administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105.

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (November 2012), pp. 1 – 3. The Department determines a client's eligibility for program benefits based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 (October 2010), p. 1. For FAP purposes, the applicable FAP net income limit is \$1,921.00. RFT 250 (October 2012), p. 1.

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA coverage if sufficient allowable medical expenses are incurred. BEM 545 (2011), p. 8. Each calendar month is a separate deductible period. BEM 545, p. 8. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible for the calendar month tested. BEM 545, p. 9. The group must report expenses by the last day of the third calendar month following them month in which the group wants MA coverage. BEM 545, p. 9.

In this case, the Department received a Wage Match Verification from the Claimant's employer on November 30, 2012. The Claimant's earned income exceeded the applicable \$1,921.00 FAP limit by more than \$1,000.00. As a result of the excess income, the Claimant was no longer eligible for FAP benefits. In accordance with policy, the Department sent a Notice of Case Action to the Claimant informing her that her FAP benefits would terminate effective January 1, 2013.

The Department also determined MA eligibility in light of the Claimant's earned income. As a result of the income, the Claimant was found eligible for MA benefits provided she meet a monthly deductible. During the hearing, the Claimant understood why her FAP benefits terminated and why her MA case was changed to a deductible one. Ultimately, the Department established it acted in accordance with Department policy when it terminated the Claimant's FAP benefits and changed the MA case to a deductible due to excess income. Accordingly, the Department's actions are AFFIRMED.

### **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 when it terminated the Claimant's FAP benefits and converted the Claimant's MA case to one that required a deductible based on the Claimant's earnings from employment.

Accordingly, it is ORDERED:

The Department's determination is AFFIRMED.



**Colleen M. Mamelka**  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: February 13, 2013

Date Mailed: February 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 receipt 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

CMM/tm

cc:

