

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201338847  
Issue No.: 2026  
Case No.: [REDACTED]  
Hearing Date: July 31, 2013  
County: Macomb 12

**ADMINISTRATIVE LAW JUDGE:** Susanne E. Harris

**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 31, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] and her [REDACTED]. Participants on behalf of Department of Human Services (Department) included Eligibility Specialist (ES) [REDACTED].

**ISSUE**

Did the Department properly close the Claimant's full Medical Assistance (MA) case and impose a deductible on her ongoing MA?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Per the Claimant's hearing request, the Claimant was an ongoing recipient of full MA benefits.
2. There is no DHS-1605, Notice of Case Action in evidence. Per the Department's hearing summary, the Claimant was notified on April 4, 2013 that her MA case was subject to a deductible as of April 4, 2013. The Claimant contests ever getting this notice.
3. On April 2, 2013, the Department received the Claimant's written hearing request protesting the Department's determination that she now has a deductible.

### CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT).

The Family Independence Program (FIP) was established pursuant to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 42 USC 601, *et seq.* The Department (formerly known as the Family Independence Agency) administers FIP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3101 through R 400.3131. FIP replaced the Aid to Dependent Children (ADC) program effective October 1, 1996.

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 Adult Medical Program (AMP) is established by 42 USC 1315, and is administered by the Department pursuant to MCL 400.10, *et seq.*

The State Disability Assistance (SDA) program, which provides financial assistance for disabled persons, is established by 2004 PA 344. The Department of Human Services (formerly known as the Family Independence Agency) administers the SDA program pursuant to MCL 400.10, *et seq.*, and 2000 ACS, R 400.3151 through R 400.3180.

The Child Development and Care (CDC) program is established by Titles IVA, IVE and XX of the Social Security Act, the Child Care and Development Block Grant of 1990, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The program is implemented by Title 45 of the Code of Federal Regulations, Parts 98 and 99. The Department provides services to adults and children pursuant to MCL 400.14(1) and Mich Admin Code, R 400.5001 through R 400.5015.

In this case, the Claimant testified that she had full MA benefits under United Health Care Community Plan and that she was suddenly placed on a deductible MA case with no notice at all. There is no DHS-1605, Notice of Case Action in evidence. There is also no verification or documentary evidence of the Claimant's income, though the Department testified that the Claimant had \$ [REDACTED] gross monthly [REDACTED]

██████████ Benefits (UCB) income. The Claimant testified that when she was working and making more money than what she receives on ██████████ she qualified for full MA and does not understand why she no longer qualifies for full MA.

Bridges Eligibility Manual (BEM) 135 (2011) p. 2, provides that income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 544 p. 1, references protected income levels which are set by RFT 240. The Department determined that the Claimant's protected income level in this case is \$ ██████████ BEM 135 further instructs Department workers to apply the MA policies in BEM 500, 530 and 536 to determine net income. If the net income exceeds Group 2 needs, MA eligibility is still possible.

The Department was asked and could not explain how the MA budget in evidence was calculated, specifically the Claimant's spouse's prorated income and the Claimant's prorated income. The Department could also not explain how the \$ ██████████ was counted exactly in the budget as none of the figures combined total \$ ██████████. As such, the Administrative Law Judge determines that the evidence is insufficient to establish that the Department was acting in accordance with its policy when taking action to determine the Claimant's deductible.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law finds that the Department  did not act properly when determining the Claimant's MA deductible.

Accordingly, the Department's  AMP  FIP  FAP  MA  SDA  CDC decision is  AFFIRMED  **REVERSED**.

THE DEPARTMENT IS ORDERED TO DO THE FOLLOWING WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Initiate action to re-determine the Claimant's eligibility for MA back to the date the Department originally determined she was subject to a deductible, and
2. Initiate action to issue the Claimant any supplement she may thereafter be due.

/s/ \_\_\_\_\_  
Susanne E. Harris  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 8/5/13

Date Mailed: 8/6/13

**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

SEH/tb

cc:

