

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201339501
Issue No.: 2026
Case No.: [REDACTED]
Hearing Date: August 1, 2013
County: Kent

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 August 1, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of Department of Human Services (Department) included Family Independence Manager (FIM) [REDACTED] and Eligibility Specialist, (ES) [REDACTED].

ISSUE

Did the Department properly determine that the Claimant was no longer eligible for full Medical Assistance (MA) benefits due to excess income, thereby subjecting the Claimant to a deductible?

FINDINGS OF FACT

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

1. The Claimant was an ongoing recipient of full MA benefits.
2. On March 7, 2013, the Department became aware that the Claimant has Unemployment Compensation Benefits.
3. On April 2, 2013, the Department sent the Claimant a DHS-1605, Notice of Case Action informing the Claimant that he and his [REDACTED] now had a deductible of \$ [REDACTED] on the MA case.

4. On March 25, 2013, the Department received the Claimant's written hearing request protesting the determination that his MA case 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 reported receiving \$ [REDACTED] weekly [REDACTED] income on his redetermination. When the Department budgeted this income, it resulted in a deductible of \$ [REDACTED]. The Administrative Law Judge asked the Department workers present at the hearing to explain the figures in the budget. Specifically, the Administrative Law Judge wanted to know how it is that the Claimant's [REDACTED] prorated income was calculated and how it was that the Claimant's share of his own income was calculated. The Department testified that it used a 5.9 divisor, due to the Claimant having [REDACTED] [REDACTED]. With an income of \$ [REDACTED], [REDACTED] the Claimant's and the Claimant's [REDACTED] share of the income is \$ [REDACTED] as is reflected in the Department's budget. However, the Administrative Law Judge could still not understand the math used in the budget regarding the Claimant's own share of his income (which was \$ [REDACTED] and the Claimant's [REDACTED] share of Claimant's income (which was \$ [REDACTED]). Department workers at the hearing could not readily explain it.

Bridges Eligibility Manual (BEM) 536 (2010) outlines the formula for calculating eligibility/excess income for MA. After the record closed, the Administrative Law Judge closely examined the budget and the policy. Without a specific explanation on the record of how it is that the budget was calculated, the Administrative Law Judge finds that the evidence is insufficient to establish that the Department was acting in accordance with its policy when determining 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.

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 April 1, 2013, and
2. Initiate action to issue the Claimant any supplement he may thereafter be due.

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

Date Signed: 8/6/13

Date Mailed: 8/7/13

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:

