

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-41530
Issue No.: 2018
Case No.: [REDACTED]
Hearing Date: July 15, 2013
County: SSPC-East (97-98)

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 15, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

ISSUE

Did the Department properly deny Claimant's April 10, 2013, Medical Assistance (MA) application?

FINDINGS OF FACT

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

1. On April 10, 2013, Claimant applied for MA.
2. On April 15, 2013, the Department sent Claimant a Notice of Case Action denying the application on the basis that her net income exceeded the net income limit for the program.
3. On April 22, 2013, Claimant filed a request for hearing concerning the Department's action.

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

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 April 15, 2013, Notice of Case Action stated that Claimant's April 10, 2013, MA application was denied because "income exceeds the limit for this program." The Department testified that the reason for the denial was Claimant's income ineligibility under the AMP program. See BEM 640 (October 2012), p. 3; see also BEM 545 (July 2011), pp. 8-9 (clients with excess income under the FIP-related and SSI-related MA programs may be eligible for coverage under the deductible program) and BEM 105 (October 2010), pp. 4-5. AMP provides limited medical services for persons not eligible for MA coverage. BEM 100 (June 2012), p. 4.

Income eligibility for AMP coverage exists when the AMP group's net income does not exceed the group's AMP income limit. BEM 640, p. 3. At the time of Claimant's April 2013 AMP application, the AMP income limit for an individual in an independent living arrangement was \$316. RFT 236 (April 2009), p. 1.

The Department did not provide a budget showing its calculation of Claimant's income eligibility. Claimant testified that her sole income is the \$320 in gross employment income she is paid biweekly. To determine a client's net income for AMP purposes, a client is eligible for an individual deduction of \$200 from gross earnings plus an additional 20% deduction from the remaining gross earnings. BEM 640 (October 2012), p. 4. Based on Claimant's reported monthly gross earnings of \$640, she is eligible for an individual deduction of \$200 plus an additional 20% of the remaining gross earnings. Claimant's monthly net income after these deductions is \$352. Although clients are also eligible for a deduction for child support paid by the group, there was no evidence presented in this case that Claimant paid child support. See BEM 640, p. 4. Therefore, Claimant was not eligible for a child support deduction. Because Claimant's net monthly income of \$352 exceeds the \$316 AMP income limit, the Department acted in accordance with Department policy when it denied Claimant's AMP application.

The April 15, 2013, Notice of Case Action sent to Claimant by the Department does not address Claimant's eligibility under other MA programs. The Department must consider all MA category options when processing a client's MA application, and the client is entitled to the most beneficial category, which is the one that results in eligibility or the

least amount of excess income. BEM 105 (October 2010), pp. 2, 4-5. An individual may receive MA coverage if she qualifies under a FIP-related MA category or an SSI-related MA category. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare, or formerly blind or disabled. BEM 105, p. 1. To receive MA under a FIP-related category, the person must have dependent children who live with her, be a caretaker relative of dependent children, be under age 21, or be a pregnant or recently pregnant woman. BEM 105, p. 1; BEM 132 (October 2010), p. 1; BEM 135 (January 2011), p. 1.

Claimant's testimony at the hearing established that she was not eligible for SSI-related MA and was not eligible for FIP-related MA on the basis of pregnancy or age. However, an issue arose at the hearing regarding Claimant's eligibility for MA coverage under the Group 2 Caretaker's Relatives (G2C) program, a FIP-related MA program available to parents of a dependent child. BEM 135 (January 2011), p. 1. A dependent child under BEM 135 is defined as a FIP recipient, an SSI recipient, an MA applicant, an active MA deductible, an MA recipient, or a MICHild recipient. BEM 135, p. 3. In this case, there was evidence that Claimant had two minor children, ages 6 and 12, in her household. Claimant testified that she did not include the children in her application because the children received medical coverage under their father's health insurance policy. Because the children were not MA or MICHild applicants or recipients and there was no evidence that either child was a FIP recipient or an SSI recipient, the Department acted in accordance with Department policy to the extent it determined that Claimant was not eligible for FIP-related MA coverage.

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 Department policy when it denied Claimant's MA and AMP application.

Accordingly, the Department's decision is AFFIRMED.



Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: July 18, 2013

Date Mailed: July 18, 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 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 affect 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

ACE/pf

cc:

