

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2013-47961
Issue Nos.: 2026, 3019
Case No.: [REDACTED]
Hearing Date: June 17, 2013
County: Wayne (82-19)

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 June 17, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED]

ISSUE

1. Did the Department properly provide Claimant with Medical Assistance (MA) coverage with a monthly \$598 deductible?
2. Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits?

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 an ongoing recipient of MA and FAP.
2. In connection with an MA redetermination, the Department became aware of an increase in Claimant's unearned income and recalculated her MA eligibility and FAP budget.

3. On April 18, 2013, the Department sent Claimant a Notice of Case Action, notifying her that she was eligible for MA with a monthly \$598 deductible effective April 1, 2013, and monthly FAP benefits of \$95 effective May 1, 2013.
4. On May 30, 2013, Claimant filed a hearing request, disputing the Department's actions.

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 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.

In connection with an MA redetermination, the Department became aware of an increase in Claimant's unearned income, and, in addition to redetermining Claimant's MA eligibility, it recalculated her FAP budget. The Department did not provide a copy of the Notice of Case Action it sent Claimant but testified that, in an April 18, 2013, Notice of Case Action, it notified Claimant that, because of this increase in income, she was eligible for MA coverage with a \$598 monthly deductible effective April 1, 2013, and monthly FAP benefits of \$95 effective May 1, 2013.

MA Deductible

Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105, p. 1; BEM 166 (October 1, 2010), pp. 1-2; BEM 544 (August 1, 2008), p. 1; RFT 240 (July 1, 2007), p. 1. The monthly PIL for an MA group of one (Claimant) living in Wayne County is \$375 per month. RFT 200 (July 1, 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net monthly income is in excess of the \$375, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds \$375. BEM 545 (July 1, 2011), p. 1.

In this case, the Department produced an SSI-Related MA budget showing how the deductible in Claimant's case was calculated. Claimant verified that she received gross monthly Retirement, Survivors, and Disability Insurance (RSDI) benefits of \$1,098. The Department properly subtracted the \$20 disregard to establish Claimant's total net income for MA purposes at \$1,078. BEM 530 (October 1, 2012), p. 1; BEM 541 (January 1, 2011), p. 3. The Department subtracted Claimant's \$104.90 Part B Medicare premium to determine her countable income of \$973. See BEM 544 (August 1, 2008), p. 1. Claimant had not presented the Department with any other medical expenses she incurred prior to the hearing date that qualified as need items under policy. See BEM 541; BEM 544.

Because Claimant's net income of \$973 for MA purposes exceeds the monthly protected income level of \$375 by \$598, the Department calculated Claimant's monthly \$598 MA deductible in accordance with Department policy.

FAP Benefits

The Department testified that Claimant was eligible for \$95 in monthly FAP benefits effective May 1, 2013, ongoing.

The Department produced a FAP budget showing the calculation of Claimant's FAP benefits. Consistent with Claimant's testimony that she received \$1,098 in gross monthly RSDI income and that she was the sole member of her FAP group, the budget showed that the Department used \$1,098 for Claimant's gross monthly income and applied the \$148 standard deduction available to Claimant's FAP group size of one. See RFT (October 1, 2012), p. 1. Because Claimant is a senior/disabled/veteran (SDV) member of her FAP group, she is also eligible for a deduction for verified medical expenses in excess of \$35. BEM 554 (October 1, 2012), pp. 6-7. The budget shows a \$70 medical expense deduction, which the Department testified was for Claimant's Part B Medicare premium that exceeded \$35, the only medical expense that was verified to the Department at the time the budget was calculated. The Department also testified that it considered Claimant's monthly rent of \$398, which Claimant verified, and the applicable standard heat and utility deduction of \$575 available to all FAP recipients. A review of the Department's calculation shows that Claimant was eligible for an excess shelter deduction of \$533, consistent with the amount on the budget. BEM 554 (October 1, 2012), p. 1; RFT 255 (October 1, 2012), p. 1. The evidence at the hearing established that Claimant was not eligible for any other deductions. Based on the foregoing figures, the Department properly calculated Claimant's net income of \$347 for FAP purposes.

A FAP group size of one with monthly net income of \$347 is eligible for monthly FAP benefits of \$95. RFT 260 (December 1, 2012), p. 4. Thus, the Department acted in accordance with Department policy in calculating Claimant's FAP benefits.

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 calculated Claimant's monthly MA deductible and FAP benefits. Accordingly, the Department's FAP and MA decision is AFFIRMED.



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

Date Signed: June 18, 2013

Date Mailed: June 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

2013-47961/ACE

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P. O. Box 30639
Lansing, Michigan 48909-07322

ACE/pf

cc:

