

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201351611  
Issue No.: 2026, 1015, 5006  
Case No.: [REDACTED]  
Hearing Date: July 3, 2013  
County: Macomb County (#20)

**ADMINISTRATIVE LAW JUDGE: MICHELLE HOWIE**

**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 on Wednesday July 3, 2013 from Detroit, Michigan. Participant on behalf of Claimant was [REDACTED] (husband). Participant on behalf of Department of Human Services (Department) was [REDACTED] (Eligibility Specialist).

**ISSUE**

Whether the Department properly closed Claimant's ongoing Medical Assistance (MA) and determined a deductible amount?

Whether the Department properly determined the amount of Claimant's Food Assistance (FAP) allotment?

Whether the Department properly processed the Claimant's application for State Emergency Relief ("SER")?

**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 received MA and FAP benefits recipient with a group size of 5.
2. On April 29, 2013, Claimant applied for SER assistance with heating bill.

3. On July 1, 2013 the Department closed the ongoing MA benefits and determined Claimant and her husband would have a MA deductible of \$430.00/monthly.
4. On June 1, 2013 the Department reduced Claimant's FAP benefits to \$487.00.
5. On May 30, 2013 the Department sent Claimant notice of the MA deductible and FAP allotment amount.
6. On April 29, 2013, the Department sent Claimant an SER Decision Notice approving the SER request provided Claimant made a payment of \$217.81 income/asset copayment by May 23, 2013.
7. On June 6, 2013, the Department received Claimant's written hearing request protesting the Action.

### **CONCLUSIONS OF LAW**

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

In determining eligibility for the various programs all countable earned and unearned income available is considered by the Department in determining eligibility. All income is converted to a monthly amount. BEM 505 (October 2010), p. 1. A standard monthly amount must be determined for each income source used in the budget. BEM 505, p. 1. Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505, p. 6. Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505, p. 6. Here, Claimant receives earned income bi-weekly that was converted to \$1064 (monthly), the husband has RSDI of \$824.00/monthly and the three children each receive \$57/monthly (\$171).

#### **Medicaid (MA)**

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 general, net income for the group must be at or below a certain income level for MA eligibility to exist for the caretakers. BEM 105, p. 1. The protected income limit is a set allowance, which is based on shelter area and group size, for non-medical needs such as food, shelter and incidental expenses. An individual or MA group whose income exceeds the monthly protected income level is ineligible to receive MA. However, an individual or MA group may become eligible for assistance under the deductible program. A deductible is a process, which allows a client with excess income to be

eligible for MA, if sufficient allowable medical expenses are incurred. BEM 545 (July 2011), p. 9. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545, p. 9. The Department will add MA coverage each month the group meets its deductible. BEM 545, p. 9.

In this case, the group's net income exceeds the monthly protected income level for the group size. Claimant and her husband are consequently ineligible to receive ongoing MA benefits. However, under the deductible program, if the Claimant incurs medical expenses of \$430 during any month, they may then be eligible for MA benefits. Claimant argues that the family is unable to pay the deductible per month because of limited means. While the undersigned does sympathize with the Claimant's situation, there is no jurisdiction to change or alter Department policy or state law. Therefore, I find the Department established it acted in accordance with policy with regards to the MA deductible determination.

### **FAP**

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.

After reviewing the FAP budget, I find the Department acted in accordance with policy when it determined the Claimant's FAP allotment. While it is noted that several of the amounts used by the Department in the budget were slightly different than the amounts testified to by Claimant's husband the budget amounts were notably in favor of the group. After all applicable deductions the group's net income is \$1020. The FAP allotment for a group size of five with net income of \$1020 is \$487.00. RFT 270 (October 2011). Accordingly, the Department established it acted in determining the group's FAP allotment.

### **SER-Heating**

The State Emergency Relief ("SER") program is established by 2004 PA 344. The SER program is administered pursuant to MCL 400.10, *et seq.*, and by Mich Admin Code, Rules 400.7001 through Rule 400.7049. Department of Human Services', formerly known as the Family Independence Agency, policies are found in the Emergency Relief Manual ("ERM").

SER prevents serious harm to individuals and families by assisting applicants with safe, decent, affordable housing and other essential needs when an emergency situation arises. ERM 101 (October 2011) p. 1. SER helps to restore or prevent shut off of energy/utility services to include water services. ERM 302 (October 2011), p. 2. SER group members must use their available income and cash assets that will help resolve

the emergency. Bridges system determines eligibility or ineligibility for each SER application and service requested. The Department verifies the information, certifies the eligibility results and authorizes the payment. Policy provides that before the Department can authorize any portion of the cost of services, it must verify that any income/ asset copayment, shortfall, and/or contribution have been paid by the client or will be paid by another agency. ERM 302, p. 3.

In this case, the Department approved the Claimant's SER application requiring the Claimant make a payment of \$217.81, which included income/ copayment amount based on the household income. Proof of paying the income co-payment was due by May 23, 2013. Claimant did not provide proof of making the required payment which resulted in the closure of the SER application. Accordingly, the Department acted in accordance with policy.

Accordingly, the Department's actions are upheld.

### **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 properly in regards to the MA deductible, FAP allotment and SER decision.

Accordingly, the Department's MA, FAP, SER determination is hereby, **AFFIRMED**.



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**Michelle Howie**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: 7/12/2013

Date Mailed: 7/12/2013

**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 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

MH/hw

cc:

