

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201368708  
Issue No.: [REDACTED]  
Case No.: [REDACTED]  
Hearing Date: October 17, 2013  
County: Macomb

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on October 17, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED].

**ISSUE**

Whether the Department of Human Services (Department) properly reduced the Claimant's Food Assistance Program (FAP) and Medical Assistance (M.A.) benefits due to earned income and a change in benefit group size?

**FINDINGS OF FACT**

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

1. The Claimant is an ongoing Food Assistance Program (FAP) and Medical Assistance (M.A.) recipient.
2. The Department reduced the Claimant's Food Assistance Program (FAP) benefit group size to two when one household member was disqualified under the student status policy. Department of Human Services Bridges Eligibility Manual (BEM) 245 (July 1, 2013).
3. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED].
4. The Department determined that the Claimant is eligible for Medical Assistance (M.A.) with a patient deductible of [REDACTED].

5. The Department determined that the Claimant is eligible for Food Assistance Program (FAP) benefits with a monthly allotment of [REDACTED] as of September 1, 2013.
6. The Department received the Claimant's request for a hearing on September 10, 2013, protesting the reduction of her Food Assistance Program (FAP) and Medical Assistance (M.A.) benefits.

### **CONCLUSIONS OF LAW**

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 1999 AC, Rule 400.3001 through Rule 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.

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. Department of Human Services Bridges Eligibility Manual (BEM) 500 (July 1, 2013).

All income is converted to a standard monthly amount. If the client is paid weekly, the Department multiplies the average weekly amount by 4.3. If the client is paid every other week, the Department multiplies the average bi-weekly amount by 2.15. Department of Human Services Bridges Eligibility Manual (BEM) 505 (July 1, 2013), pp 6-7.

The Claimant is an ongoing Food Assistance Program (FAP) recipient. The Claimant had previously received Food Assistance Program (FAP) as a group of three. When the Department discovered that a member of the Claimant's household was attending a post-secondary educational facility and did not meet the criteria of BEM 245, this student was removed from the Claimant's Food Assistance Program (FAP) benefit group. Once the Claimant's benefit group was reduced to two, this resulted in a reduction of Food Assistance Program (FAP) benefits.

The Claimant receives monthly earned income in the gross monthly amount of \$2,141. This was determined by taking the average of two biweekly paychecks that represented income most likely to continue and multiplying that amount by the 2.15 conversion factor as directed by BEM 505.

Based on the evidence and testimony available during the hearing, the Department established that it properly determined the Claimant's eligibility for the Food Assistance Program (FAP).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). Department of Human Services Bridges Eligibility Manual (BEM) 105 (July 1, 2013), p 1.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, or
- Allowable medical expenses equal or exceed the excess income. Department of Human Services Bridges Eligibility Manual (BEM) 545 (July 1, 2011), p 1.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. Department of Human Services Bridges Eligibility Manual (BEM) 166 (July 1, 2013), p 1. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. Department of Human Services Bridges Eligibility Manual (BEM) 544 (July 1, 2013), p 1. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the Program Reference Table (RFT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. 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; 42 CFR 435.831.

A review of claimant's case reveals that the Department budgeted the correct amount of income received by the Claimant. Claimant's "protected income level" is [REDACTED], and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department's determination that the Claimant has a [REDACTED] deductible per

month she must meet in order to qualify for MA for any medical expenses above is therefore correct.

**DECISION AND ORDER**

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it reduced the Claimant's Food Assistance Program (FAP) and Medical Assistance (M.A.) benefits.

Accordingly, the Department's Food Assistance Program (FAP) and Medical Assistance (M.A.) eligibility decisions are **AFFIRMED**.

/s/  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: 10/21/2013

Date Mailed: 10/22/2013

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

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The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

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

KS/sw

cc:

