

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

IN THE MATTER OF:

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████████████████████
████████████████████

Reg. No.: 14 007224
Issue No(s): 3001, 5001
Case No.: ██████████
Hearing Date: August 20, 2014
County: Wayne (49)

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

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 August 20, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████ ██████, Eligibility Specialist and ██████████, Family Independence Manager.

ISSUE

Did the Department properly determine Claimant's eligibility for Food Assistance Program (FAP) benefits?

Did the Department properly determine Claimant's eligibility for Medical Assistance (MA) 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 is an ongoing FAP recipient.
2. Claimant submitted an updated utility bill to the Department.
3. Claimant's assigned worker reviewed Claimant's file and discovered that she was receiving an improper medical deduction.
4. The Department recalculated Claimant's eligibility for FAP benefits.

5. On June 16, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FAP benefits had been decreased to \$39.00 per month.
6. Claimant is an ongoing MA recipient.
7. When the Department redetermined Claimant's eligibility for FAP benefits, it also redetermined Claimant's eligibility for MA benefits.
8. The Department determined that Claimant was eligible for MA benefits subject to an \$897.00 deductible.
9. On July 16, 2014, Claimant filed a Request for Hearing disputing the Department actions regarding her FAP and MA benefits.

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

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

FAP

Additionally, the Claimant requested a hearing protesting the amount of her FAP benefits as she believed \$39.00 per month was insufficient to meet her needs. Claimant is an ongoing FAP recipient. Claimant submitted an updated utility bill. Upon receipt of the utility bill, Claimant's assigned worker reviewed her file. The assigned worker noticed that Claimant was receiving the maximum amount of FAP benefits. Upon further review, Claimant's assigned worker determined that Claimant was receiving a \$3,000.00 medical deduction in which she was not entitled. Claimant confirmed that she does not have any out-of-pocket medical expenses. As a result, the Department recalculated her eligibility for FAP benefits. Claimant is currently receiving

RSDI income in the amount of \$1,292.00 per month. Claimant does not have any earned income.

The Department presented a FAP net income budget showing Claimant's gross income as \$1,292.00. Claimant confirmed that she has a group size of one. Based on Claimant's circumstances, she was eligible for the following deductions from her gross income under Department policy:

- a standard deduction of \$151 based on his one-person group size RFT 255 (December 2013), p. 1; BEM 556, (July 2013) p. 3; and
- an excess shelter deduction of \$643.00 which is based on monthly shelter expenses of \$660.00 and the \$553.00 heat and utility standard deduction. RFT, p. 1.

Using a gross monthly income amount of \$1,292.00 and taking the appropriate deductions, Claimant's monthly net income amount is \$498.00. Based on the information available to the Department at the time the Redetermination was submitted, it properly determined that Claimant was entitled to a FAP benefit amount of \$39.00 per month. RFT 260 (December 2013), p. 7.

MA

Claimant disputed the Department's conclusion that she was eligible for MA subject to a monthly \$897.00 deductible. Claimant was previously receiving MA benefits. It is unclear if Claimant was required to pay a deductible prior to July 1, 2014. The Department completed a Medical Budget to determine Claimant's eligibility for MA benefits effective July 1, 2014.

In this case, Claimant confirmed that she received monthly RSDI income of \$1,292.00. Applying a \$20 unearned income disregard results in Claimant having net unearned income of \$1,272.00. See BEM 541 (January 2014), p. 3. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (January 2014), p. 1; BEM 544 (July 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (July 2013), p. 10.

The monthly PIL for an MA fiscal group size of one living in Wayne County is \$375.00 per month. RFT 200 (December 2013), p. 2; RFT 240 (December 2013), p. 1.. Thus, if Claimant's net income is in excess of \$375.00, she may become eligible for MA assistance under the deductible program.

In this case, the Department produced a SSI-Related MA budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net income totaled \$1,272.00. The evidence at the hearing established that Claimant was not eligible for any needs deductions. BEM 544, pp. 1-2. Because Claimant's net

income of \$1,272.00 exceeded the applicable \$375.00 PIL by \$897.00, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$897.00 deductible. For the month of July 2014, the Department allowed a further deductible for current and old bills in the amount of \$57.22 which further reduced Claimant's deductible amount of \$839.78 for the month of July 1, 2014. To the extent Claimant is not eligible for a continued deduction for current and old bills, her deductible would revert to \$897.00.

During the hearing, there was some discussion regarding a potential deduction for ongoing medical expenses. A review of the Department's policy did not reveal any allowable deductions for ongoing medical expenses. It is unclear why this language appears on the SSI Related Medicaid Income Budget Results if it is not an allowable deduction.

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 determined Claimant was eligible for a monthly FAP benefit amount of \$39.00 and also acted in accordance with Department policy when it found Claimant eligible for MA subject to a \$897.00 monthly deductible.

DECISION AND ORDER

Accordingly, the Department's decision is **AFFIRMED**.



JACQUELYN A. MCCLINTON
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: August 28, 2014

Date Mailed: August 28, 2014

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides or has its principal place of business in the State, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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;

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- 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

JAM/cl

cc: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
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