

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 14-012446  
Issue No.: 2001, 3008  
Case No.: [REDACTED]  
Hearing Date: October 23, 2014  
County: Grand Traverse

**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 23, 2014, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED] and [REDACTED].

**ISSUE**

Did the Department properly determine the Claimant's eligibility level for the Food Assistance Program (FAP) and Medical Assistance (MA) programs?

**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 is an ongoing Food Assistance Program (FAP) and Medical Assistance (MA) recipient.
2. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$ [REDACTED].
3. The Claimant receives monthly unearned income in the gross monthly amount of \$ [REDACTED] from her mother.
4. On June 17, 2014, the Department notified the Claimant that she is eligible for a monthly allotment of Food Assistance Program (FAP) benefits in the monthly amount of \$ [REDACTED] as of June 1, 2014.
5. On June 17, 2014, the Department notified the Claimant that she was eligible for Medical Assistance (MA) with a \$ [REDACTED] deductible.
6. On September 11, 2014, the Department received the Claimant's request for a hearing, protesting the determination of monthly allotment of Food Assistance Program (FAP) 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.

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, 2014).

The Claimant is an ongoing Food Assistance Program (FAP) recipient as a group of one. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of \$[REDACTED]. The Claimant receives financial support from her mother and the Department classified this support as unearned income in the gross monthly amount of \$[REDACTED]. The Claimant's adjusted gross income of \$[REDACTED] was determined by subtracting the standard \$[REDACTED] deduction and the amount of the Claimant's Medicare premium expenses over \$[REDACTED] as directed by BEM 554. The Claimant's excess shelter deduction of \$[REDACTED] was determined by adding her \$[REDACTED] monthly shelter expense to the \$[REDACTED] standard heat and utility credit, then subtracting 50% of her adjusted gross income.

The Claimant's net income of \$[REDACTED] was determined by subtracting her excess shelter deduction from her adjusted gross income. A group of one with a net income of \$[REDACTED] is entitled to a monthly allotment of Food Assistance Program (FAP) benefits in the monthly amount of \$[REDACTED]. Department of Human Services Reference Table Manual (RFT) 260 (December 1, 2013).

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

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). BEM 105.

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. BEM 545.

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's needs. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medical Assistance group 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 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. The Department also provided substantial evidence that the Department is applying Medicare premium towards her deductible.

The Claimant argued that the financial support she receives from her mother should not be considered countable income because of the Uniform Gifts to Minors Act.


This Administrative Law Judge finds that the Uniform Gifts to Minors Act is not relevant to the issue of whether the financial support provided by the Claimant's mother is countable by the Department because this federal statute is only controlling for the purposes of taxes. Eligibility for state administered benefits is controlled by Department policy.

A donation to an individual by family or friends is the individual's unearned income. Department of Human Services Bridges Eligibility Manual (BEM) 503 (July 1, 2014), p 10.

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 the Claimant's countable income. Therefore, the Department also properly determined the Claimant's eligibility for the Food Assistance Program (FAP) and Medical Assistance (MA) programs.

**DECISION AND ORDER**

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

  
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Kevin Scully  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **10/27/2014**

Date Mailed: **10/27/2014**

KS/las

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, 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;
- 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

cc:

