

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

IN THE MATTER OF:

[REDACTED]
[REDACTED]
[REDACTED]

Reg. No.: 14-007615
Issue No.: 2001; 3001
Case No.: [REDACTED]
Hearing Date: AUGUST 21, 2014
County: MACOMB-DISTRICT 12

ADMINISTRATIVE LAW JUDGE: Alice C. Elkin

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 21, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Hearing Facilitator.

ISSUE

Did the Department properly process Claimant's Food Assistance Program (FAP) case?

Did the Department properly calculate Claimant's monthly Medical Assistance (MA) deductible?

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 updated information Claimant provided in her application for State Emergency Relief, the Department sent Claimant a Verification Checklist (VCL) requesting verifications concerning her ongoing eligibility for other Department benefits.
3. Claimant timely submitted the requested verifications.

4. On July 11, 2014, the Department sent Claimant a Notice of Case Action notifying her that her FAP case was closing effective August 1, 2014 because she had failed to provide requested verifications.
5. On July 21, 2014, Claimant filed a request for hearing 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), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

In her July 21, 2014 hearing request, Claimant requested a hearing concerning her FAP and MA cases tied to a July 11, 2014 Notice of Case Action. The Department did not provide a copy of the July 11, 2014 Notice into evidence but testified that the Notice informed Claimant that her FAP case was closing effective August 1, 2014 for failure to provide requested verifications. According to the Department, the Notice did not concern Claimant's MA case. Claimant testified at the hearing that when she filed her July 21, 2014 request for hearing, she was concerned that the Department was closing both her FAP and MA cases but also indicated that she did not agree with the Department's calculation of her monthly deductible. Because Claimant requested a hearing concerning MA and FAP, this Hearing Decision addresses both the closure of Claimant's FAP case under the Notice and the status of her MA case.

FAP Case

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.

At the hearing, the Department acknowledged that, contrary to the statement in the July 11, 2014 Notice of Case Action, it timely received Claimant's verifications. The Department testified that, upon receiving the verifications, it reprocessed Claimant's FAP eligibility and sent her a July 31, 2014 Notice of Case Action advising her that she was approved for monthly FAP benefits of \$15 effective August 1, 2014. The Department testified that Claimant had received ongoing, uninterrupted FAP benefits, and an eligibility summary provided by the Department supported its testimony. Claimant acknowledged receiving the July 31, 2014 Notice of Case Action and agreed that she had receiving ongoing, uninterrupted FAP benefits. Although Claimant disputed the Department's finding that she was eligible for only \$15 in monthly FAP benefits effective August 1, 2014, a substantial reduction from the amount she received

prior to August 1, 2014, and there was evidence presented at the hearing that the Department may have erred in calculating her FAP benefits effective August 1, 2014, because this change in benefits occurred after Claimant's July 21, 2014 request for hearing and was unrelated to the closure of her FAP case that resulted in her request for hearing, Claimant was advised to request a hearing concerning the calculation of benefits to address the issue of her FAP allotment.

With respect to Claimant's hearing request concerning the closure of her FAP case, under the facts presented, the Department established that, although it had erroneously intended to close Claimant's FAP case because of failure to provide requested information, it had in fact received the verifications and processed Claimant's FAP eligibility based on the verifications. As a result, it corrected its error and did not close Claimant's FAP case.

MA Deductible

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.

In determining a client's net income for MA purposes, the Department considers the gross monthly RSDI benefits received by the client. BEM 503 (January 2014 and July 2014), p. 28; BEM 530 (January 2014), p. 2. This unearned income is reduced by a \$20 disregard. BEM 541 (January 2014), p. 3. In this case, Claimant's RSDI income is \$1031. Claimant's gross RSDI income reduced by \$20 results in net income for MA purposes of \$1011. (Although Claimant's MA budget shows net income of \$1010 based on gross RSDI income of \$1030, both Claimant and the Department testified that Claimant received gross monthly RSDI income of \$1031. Accordingly, Claimant's net income is considered \$1011 for purposes of this Hearing Decision.)

Based on her net income, Claimant was not eligible for MA coverage under the AD-Care program. BEM 163 (July 2013), p. 2; RFT 242 (April 2014), p. 1. Clients who are ineligible for full-coverage MA coverage because of excess income are eligible for Group 2 MA coverage, which provides for MA coverage with a deductible, when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL); PIL is provided in policy and is based on the client's shelter area and fiscal group size. BEM 105 (January 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. The monthly PIL for a client in Claimant's position, with an MA fiscal group size of one living in Macomb County, is \$408 per month. RFT 200 (December 2013), pp. 1-2; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$408, she may become eligible for MA

assistance under the deductible program, with the deductible equal to the amount that her monthly net income less allowable deductions exceeds \$408. BEM 545 (July 2013), p. 2.

In this case, the Department presented an SSI-related MA budget showing the calculation of Claimant's deductible. As discussed above, Claimant's net income for MA purposes is \$1011. The evidence at the hearing established that Claimant was not eligible for any needs deductions. See BEM 544, pp. 1-2. Because Claimant's net income of \$1011 exceeded the applicable \$408 PIL by \$603, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$603 deductible commencing September 1, 2014.

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 (i) when it processed Claimant's verifications and provided ongoing, uninterrupted FAP benefits and (ii) when it calculated Claimant's MA deductible.

DECISION AND ORDER

Accordingly, the Department's MA and FAP decisions are AFFIRMED.



Alice C. Elkin

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

Date Signed: **8/25/2014**

Date Mailed: **8/25/2014**

ACE / tlf

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.

