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

IN THE MATTER OF:

Reg. No.: 201414143
Issue No.: 2001, 3001
Case No.:
Hearing Date: January 7, 2014
County: Midland County DHS

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 January 7, 2014, from Lansing, Michigan. Participants on behalf of Claimant included and Participants on behalf of the Department of Human Services (Department) included

ISSUE

Whether the Department of Human Services (Department) properly determined the Claimant's eligibility for Medical Assistance (M.A.) and Food Assistance Program (FAP) benefits?

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 was an ongoing Medical Assistance (M.A.), Medicare Savings Program, and Food Assistance Program (FAP) recipient.

2. On November 13, 2013, the Department notified the Claimant that she was being transferred from the full Medicare Savings Program benefits (QMB) to a partial category (ALMB). The Claimant was transferred from the AD-Care category of Medical Assistance (M.A.) to Medical Assistance (M.A.) with a deductible. The Claimant's Food Assistance Program (FAP) benefits were closed.

3. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of $

4. The Claimant's spouse receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of $

5. The Claimant's son receives monthly earned income in the gross monthly amount of $[redacted]

6. The Department received the Claimant's request for a hearing on November 18, 2013, protesting the closure of Food Assistance Program (FAP) and reduction of Medical Assistance (M.A.) and Medicare Savings Program benefits.

CONCLUSIONS OF LAW

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 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 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 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 before 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).

The Claimant was an ongoing Medical Assistance (M.A.), Medicare Savings Program, and Food Assistance Program (FAP) recipient. The Department determined the Claimant's benefit eligibility without consideration of the Retirement, Survivors, and Disability Insurance (RSDI) received by the Claimant's spouse. How the Department failed to consider this countable income is not an issue to be decided by this hearing and the Department has not taken any action to rectify this past error. The only issue to be decided by this decision is whether the Department properly applied its policies to the Claimant's eligibility for benefits effective December 1, 2013.

The Claimant receives a total monthly income of $ [redacted] which is the total of all the Retirement, Survivors, and Disability Insurance (RSDI) and earned income received by group members. The Claimant's adjusted gross income of $ [redacted] was determined by subtracting a 20% earned income deduction, countable medical deduction of $ [redacted] countable child support deductions of $ [redacted] and the standard deduction of $[redacted] from the group's total income. The Claimant did not dispute the accuracy of these allowable deductions. Since the Claimant's monthly shelter expense of $[redacted] combined with the

standard heat and utility standard deduction are less than 50% of the Claimant's adjusted gross income, she is not entitled to an excess shelter deduction.

Therefore, the Claimant's net income is equal to her adjusted gross income. A group of three with a net income of $ [redacted] is not entitled to receive Food Assistance Program (FAP) benefits. The Department properly applied its policies to the Claimant's circumstances when it closed her Food Assistance Program (FAP) benefits based on income.

The income limit for a group of two to receive Medical Assistance (M.A.) benefits under the AD-Care category and Medicare Savings Program benefits under the QMB category is $[redacted] and the son's income does not apply to this determination. Department of Human Services Reference Table Manual (RFT) 242 (December 1, 2013), pp 1-2.

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 (October 1, 2010), 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 (October 1, 2010), 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 (August 1, 2008), 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 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 of Human Services Reference Table Manual (RFT) 240 (December 1, 2013). The 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.

Therefore, the Department properly applied its policies to the Claimant's circumstances when determining her eligibility for Medical Assistance (M.A.) and the Medicare Savings Program.

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 determined the Claimant's eligibility for Medical Assistance (M.A.), the Medicare Savings Program, and the Food Assistance Program (FAP).

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

/s/_____

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

Date Signed: January 8, 2014

Date Mailed: January 9, 2014

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 clai mant must specify all reas ons 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.

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/hj

cc: