

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

IN THE MATTER OF:

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

Reg. No.: 2014-16195
Issue Nos.: 2001, 3008
Case No.: ██████████
Hearing Date: January 9, 2014
County: Wayne (82-17)

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 January 9, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant and ██████████. Participants on behalf of the Department of Human Services (Department) included ██████████.

ISSUES

1. Did the Department properly close Claimant's Medical Assistance (MA) coverage under the Transitional MA (TMA) program?
2. Did the Department properly provide Claimant and her husband with MA coverage subject to a monthly \$319 deductible?
3. Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits effective December 1, 2013, ongoing?

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 FAP benefits and of MA coverage under the TMA program.
2. On November 26, 2013, the Department sent Claimant a Notice of Case Action notifying her that (i) effective January 1, 2014 she and her husband would receive

MA coverage under the Group 2 Caretaker (G2C) program subject to a \$319 monthly deductible and (ii) effective December 1, 2013, the group would receive monthly FAP benefits of \$396.

3. On December 2, 2013, Claimant filed a request for hearing concerning the calculation of her MA deductible and her monthly 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 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.

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.

Additionally, Claimant requested a hearing concerning the calculation of her MA deductible and FAP benefits.

Closure of TMA Case

At the hearing, the Department explained that Claimant and her husband were no longer eligible for full-coverage MA under the Transitional Medical Assistance (TMA) program effective January 1, 2014, because they had received 12 months of coverage, the maximum available under the program.

Department policy provides that families may receive TMA for up to 12 months when ineligibility for Low Income Family (LIF) MA coverage relates to income from employment of a caretaker. BEM 111 (July 2013), p. 1. TMA eligibility continues until the end of the 12-month TMA period unless one of the conditions described in policy requires that the TMA coverage end prior to the 12-month period. BEM 111, p. 2.

In this case, the Department presented an eligibility summary that showed that Claimant's TMA coverage began January 1, 2013, and continued through December 31, 2013. Because Claimant and her husband received MA coverage under the TMA program for 12 months, they were no longer eligible for coverage under that program.

Thus, the Department acted in accordance with Department policy when it closed Claimant's and her husband's MA cases under the TMA program.

G2C Coverage with a Deductible

Although Claimant and her husband were no longer eligible for full-MA coverage under the TMA program, the Department testified that they were eligible for coverage under the G2C program subject to a monthly \$319 deductible. Clients are eligible for Group 2 MA coverage when their net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income level (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (July 2013), p. 1; BEM 135 (July 2013), p. 3; BEM 544 (July 2013), p. 1; RFT 240 (July 2007), p. 1. The monthly PIL for an MA fiscal group size of two (Claimant and her husband) living in Wayne County is \$500. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$500, she and her husband are eligible for MA assistance under the deductible program, with the deductible equal to the amount that their monthly income exceeds \$500.

The Department testified that, based on Claimant's income, Claimant and her husband were eligible for G2C coverage with a monthly \$319 deductible. The Department presented a G2 FIP-related MA budget showing the calculation of Claimant's net income and deductible. In calculating Claimant's employment income, the Department relied on paystubs Claimant provided showing that she was paid \$280 in gross weekly employment income. Claimant confirmed her weekly income at the hearing. Based on weekly income of \$280, for MA purposes Claimant's gross monthly income was \$1,120. BEM 530 (January 2014), p. 3.

In calculating Claimant's total net income for MA purposes, the Department must deduct \$90 from the countable earnings of each fiscal group member with earnings. BEM 536 (January 2014), p. 1. This would bring Claimant's total net income to \$1,030. Based on this net income and in consideration of Claimant's household consisting of her husband and one minor child, the Department calculated Claimant's *pro rata* share of her income as \$210 in accordance with Department policy. BEM 536, p. 4. Claimant's and her husband's share of the group's net income is \$819. See BEM 536, pp. 6-7. Claimant did not present any evidence showing that she was eligible for any further allowable needs deductions to this income. See BEM 544, p. 1. Because \$819 exceeds the \$500 PIL by \$319, the Department acted in accordance with Department policy when it concluded that Claimant and her husband are eligible for MA coverage subject to an \$819 monthly deductible.

Calculation of FAP Benefits

In the November 26, 2013, Notice of Case Action, the Department notified Claimant that her FAP group was eligible for monthly FAP benefits of \$396 effective December 1, 2013. The Department presented a FAP budget showing the calculation of Claimant's FAP benefits. The FAP budget showed unearned income totaling \$1,204, which the Department testified was based on Claimant's gross weekly employment income of \$280. Claimant confirmed her weekly income. In accordance with Department policy,

the Department properly multiplied Claimant's gross weekly income by 4.3 to conclude that her gross monthly income was \$1,204. See BEM 505 (July 2013), pp. 7-8.

Claimant testified that there were no senior/disabled/veteran (SDV) members of the FAP group and that the group had no day care or child support expenses. Based on the evidence presented at the hearing, Claimant's FAP group was eligible for an earned income deduction, a standard deduction and an excess shelter deduction. A review of the FAP budget shows that the Department properly applied an earned income deduction equal to 20% of Claimant's gross monthly income, or \$241 in this case, and the \$151 standard deduction available to Claimant's group size of three (Claimant, her husband, and their child). BEM 556 (July 2013), p. 3; RFT 255 (December 2013), p. 1.


In calculating Claimant's excess shelter deduction, the Department testified that it considered the group's monthly shelter expenses of \$757.04, which Claimant verified. RFT 255, p. 1; BEM 554 (July 2013), p. 1. The Department testified that it applied the heat and utility standard applicable to all FAP recipients of \$553. RFT 255, p. 1. The excess shelter deduction based on the information presented is \$903. BEM 556, pp. 4-5. However, because there are no SDV members in Claimant's household, the maximum excess shelter deduction of \$478 available to FAP groups with no SDV members was properly applied in Claimant's case. RFT 255, p. 1; BEM 554, p. 1. After Claimant's total income of \$1,204 is reduced by the \$241 earned income deduction, the \$151 standard deduction and the \$478 excess shelter deduction, her net income is \$334, consistent with the FAP budget.

Based on net income of \$334 and a FAP group size of three, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for monthly FAP benefits of \$396. RFT 260 (December 2012), p. 5.

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 concluded that Claimant and her husband were eligible for MA coverage under the G2C program subject to a monthly \$319 deductible and to monthly FAP benefits of \$396.

DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED.


Alice C. Elkin
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: January 13, 2014

Date Mailed: January 13, 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 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.

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

ACE/pf

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