

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-27653  
Issue No(s): 2001  
Case No.: [REDACTED]  
Hearing Date: April 9, 2014  
County: Wayne (19)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 April 9, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly process Claimant's 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 and her husband were ongoing recipients of MA benefits.
2. Claimant was previously receiving MA benefits under the Group 2 Caretaker Relatives program (G2C).
3. Effective January 1, 2014, Claimant's MA coverage under the G2C was terminated and she was approved for MA under the Plan First MA program. (Exhibit 1)
4. Claimant's husband was approved for MA benefits under the G2C with a monthly deductible of \$1071. (Exhibits 1 and 3)

5. On February 10, 2014, Claimant submitted a hearing request 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).

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.

Claimant submitted a hearing request disputing the Department's actions with respect to MA benefits for herself and her husband. At the hearing, the Department testified that Claimant's eligibility for MA under the G2C program was terminated effective January 1, 2014, and that she was transferred to the Plan First MA program. The Department remained unable to explain why Claimant was no longer eligible for G2C MA coverage. The Department testified that certain computer glitches caused the issue with Claimant's MA coverage being changed.

BEM 105 provides that persons may qualify under more than one MA category and federal law gives persons the right to the most beneficial category which is considered the category that results in eligibility or the least amount of excess income. BEM 105 (January 2014), p.2. Therefore, the Department has failed to satisfy its burden in establishing that it acted in accordance with Department policy when it processed Claimant's MA benefits. As such, the Department is to determine Claimant's eligibility for the most beneficial MA program, effective January 1, 2014. BEM 105, p.2.

Additionally, individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 135 (July 2013), p 1; BEM 544 (July 2013), p 1; BEM 545(July 2013); RFT 200 (December 2013);RFT 240 (December 2013), p 1. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 211 (January 2014); BEM 536 (January 2014). A multi-step process is utilized when determining a fiscal group member's income. BEM 536, pp. 1-7. The monthly PIL for a MA group of two (Claimant and her husband) living in Wayne County is \$500.00 per month. BEM 211, pp.5-6;RFT 200, p 1; RFT 240, p 1. Thus, if Claimant's fiscal group's total net monthly income is in excess of the \$500.00, the group may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the monthly income exceeds \$500.00. BEM 545, p 1.

At the hearing, the Department produced a MA budget showing how the deductible in Claimant's case was calculated. (Exhibit 3). The Department testified that in calculating Claimant's and her husband's share of the income, it specifically considered: Claimant's husband's earnings of (i) \$379.53 paid on December 13, 2013 and (ii) \$463.42 paid on December 27, 2013 and Claimant's earnings of (i) \$640.53 paid on December 13, 2013 and (ii) \$675 paid on December 27, 2013. (Exhibit 2). Although Claimant confirmed that she and her husband were paid those amounts in December 2013, Claimant testified that she and her husband both work at a school and that their hours vary each month, so that when the school is closed for breaks, she and her husband do not work. Claimant indicated that she attempted to submit more recent pay stubs to the Department that more accurately reflect the group's income but that she was informed by her case worker that the new pay stubs were not needed.

The Department is to deduct \$90 from the countable earned income as a standard work expense and following the steps contained in BEM 536, the number of dependents (under the age of 18) living with the fiscal group member is also determined. This number is added to 2.9 to determine the prorate divisor. BEM 536, pp.1-5. In this case, because Claimant and her husband live together and have one child under age 18 living in the home, the prorate divisor is 4.9. BEM 536, pp. 3-5.

After further review of the MA budget and based on the foregoing information, the Department did not properly calculate Claimant and her husband's individual prorated income as well as each spouse's share of the income. Therefore, an incorrect net income amount resulted in the Department improperly calculating the amount of Claimant's husband's deductible.

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 did not act in accordance with Department policy when it calculated Claimant's husband's monthly deductible.

### **DECISION AND ORDER**

Accordingly, the Department's decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Determine Claimant's MA eligibility under the most beneficial category for January 1, 2014, ongoing,

2. Issue MA coverage to Claimant for any MA benefits that she was entitled to receive but did not from January 1, 2014, ongoing;
3. Recalculate Claimant's husband's MA deductible for March 1, 2014, ongoing;
4. Issue MA coverage to Claimant's husband for any MA benefits that he was entitled to receive but did not from March 1, 2014, ongoing; and
5. Notify Claimant in writing of its decision.



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

Date Signed: April 28, 2014

Date Mailed: April 28, 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:

2014-27653/ZB

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

ZB/tlf

cc:

