

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2014 33992
Issue No(s): 3008, 2001
Case No.: [REDACTED]
Hearing Date: April 23, 2014
County: Wayne County 19

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 23, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant and two witnesses, [REDACTED] [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED], ES.

ISSUE

Did the Department properly compute the Claimant's Food Assistance Budget?

Did the Department properly calculate the Claimant's Medical Assistance spend down?

Did Claimant timely request a hearing regarding the failure of the Department to timely process medical expenses submitted by the Claimant for November and December 2013?

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 requested a hearing regarding her Food Assistance Allotment, the spend down amount for her Medical Assistance and the failure of the Department to process her medical bills in a timely manner so that her medical spend down was met as early as possible.

2. The Department included ongoing medical expenses of [REDACTED] as a medical expense when computing the Claimant's FAP budget. The rent amount of [REDACTED] was correct and the Claimant was given [REDACTED] as an utility allowance.
3. The Department calculated a Medical Spend Down in the amount of [REDACTED] based upon RSDI income of \$[REDACTED]. No ongoing medical expenses were included in the budget.
4. The Claimant has not submitted any medical bills to the Department since January 2014.
5. The Claimant requested a hearing on April 2, 2014 protesting the Department's failure to process her medical bills timely, the amount of her FAP benefits and the MA spend down amount.

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, the Department incorrectly calculated the Claimant's FAP benefits because it included ongoing medical expenses of [REDACTED] which were not ongoing expenses. The remainder of the FAP budget was correct. Because the Department incorrectly included medical expenses which were not ongoing, the FAP budget must be recalculated and the expenses removed.

The Claimant's Medical Assistance spend down amount was also reviewed.

Clients who are not eligible for full MA coverage because their net income exceeds the applicable Group 2 MA protected income levels (PIL) based on their shelter area and fiscal group size are eligible for MA coverage under the deductible program, with the

deductible equal to the amount their monthly net income exceeds the PIL. BEM 135 (January 2011), p. 2; BEM 544 (August 2008), p. 1; BEM 545 (July 2011), p. 2; RFT 240 (July 2007), p. 1.

In this case, the monthly PIL for an MA group of one (Claimant) living in Wayne County is \$375. BEM 211 (November 2012), p. 5; RFT 200 (July 2007), p. 1; RFT 240, p. 1. Therefore, Claimant's MA coverage is subject to a deductible if monthly net income, based on Claimant's gross income, is greater than \$375.

The spend down was based upon RSDI income of [REDACTED]. The Department also deducted a [REDACTED] general exclusion and the protected income amount of [REDACTED] for Wayne County and correctly determined the deductible amount. [REDACTED] = [REDACTED]. As the Claimant has not submitted medical bills since January 2014, no ongoing medical expenses were included in the spend down budget. However, the spend down amount of [REDACTED] as determined by the Department is correct.

Lastly, the Claimant's 4/2/14 hearing request sought a hearing regarding the Department's failure to process medical expenses which Claimant submitted to meet her spend down. The undersigned ruled at the hearing that the medical bill processing issue was untimely, and thus the issue was not determined or reviewed at the hearing. Subsequent to the hearing, it was determined that this ruling was incorrect. Therefore the issue regarding the failure to process medical expenses to meet the spend down for Medicaid eligibility requires that a new hearing be scheduled.

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 the Claimant's FAP benefits
- ☒ Did act in accordance with Department policy when it calculated the Claimant's Medical Assistance spend down.

The Claimant's request for hearing regarding the issue of whether the Department failed to process medical expenses requires that a new hearing be scheduled.

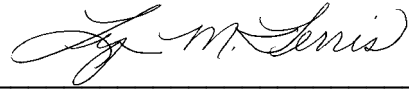
DECISION AND ORDER

Accordingly, the Department's decision is AFFIRMED with respect to the calculation of the Claimant's Medical Assistance spend down.

The Department is REVERSED with respect to its calculation of Claimant's FAP allotment.

1. The Department is ordered to recalculate the Claimant's FAP benefits without any ongoing medical expenses.

2. The Department shall notify the Claimant in writing of the new FAP benefit allotment.



Lynn M. Ferris
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: April 29, 2014

Date Mailed: April 30, 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

LMF/tm

2014 33992/LMF

cc:

