



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
Christopher Seppanen
Executive Director

SHELLY EDGERTON
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 3, 2017
MAHS Docket No.: 16-017929
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton

HEARING DECISION

Following Petitioner'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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on [REDACTED]. The Petitioner was represented by [REDACTED]. The Department of Health and Human Services (Department) was represented by [REDACTED] Hearing Facilitator.

ISSUES

Did the Department properly determine that Petitioner was eligible for Food Assistance Program (FAP) benefits in the amount of [REDACTED] per month effective [REDACTED] [REDACTED]

Did the Department properly determine that Petitioner was eligible for Medical Assistance (MA) benefits subject to a deductible of [REDACTED] effective [REDACTED] [REDACTED]

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner is an ongoing FAP and MA recipient.
2. The Department had previously been budgeting an ongoing medical expense for Petitioner in the amount of [REDACTED] per month.

3. Petitioner was not entitled to this ongoing medical expense.
4. The Department removed the medical expense and redetermined Petitioner's eligibility for FAP and MA benefits.
5. On [REDACTED] the Department sent Petitioner a Notice of Case Action which informed Petitioner that her FAP benefits would decrease to [REDACTED] per month effective [REDACTED].
6. On [REDACTED], the Department sent Petitioner a Benefits Notice, which informed Petitioner that she was eligible for MA benefits subject to a deductible in the amount of [REDACTED] per month effective [REDACTED].
7. On [REDACTED], Petitioner filed a Request for Hearing disputing the Department's actions.

CONCLUSIONS OF LAW

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, the Department testified that prior to any changes in Petitioner's FAP and MA benefits, it has been budgeting an ongoing medical expense in the amount of [REDACTED]. The Department was unaware as to the origin of the medical expense. Petitioner confirmed that she did not have an ongoing medical expense in the amount of [REDACTED]. As such, the Department testified that it removed the ongoing medical expense from Petitioner's FAP and MA budget.

FAP

The Department submitted a budget in support of its position that it properly determined Petitioner's eligibility for FAP benefits in the amount of [REDACTED] per month effective [REDACTED]. Prior to [REDACTED], Petitioner received [REDACTED] in RSDI income. Petitioner does not have any additional income. Based on Petitioner's circumstances, her one person group was eligible to receive a standard deduction of [REDACTED]. RFT 255, p. 1. (October 2016). Petitioner was also eligible to receive a shelter deduction in the amount of [REDACTED] per month. BEM 556 (July 2013). When the standard deduction and shelter deduction are subtracted from Petitioner's income, the net income amount is [REDACTED].

On [REDACTED], the Department sent Petitioner a Notice of Case Action which notified her that she had been approved for FAP benefits in the amount of [REDACTED] per month effective [REDACTED]. Based on the information available to the Department, and based upon a one person group size with a net income of [REDACTED], it properly determined that Petitioner was entitled to a FAP benefit amount of [REDACTED] per month. RFT 260 (October 2016), p. 11.

MA

On [REDACTED] the Department sent Petitioner a Benefit Notice notifying her that she was eligible for MA subject to an [REDACTED] deductible effective [REDACTED] ongoing. MA is available (i) under SSI-related categories to individuals who are aged (65 or older), blind or disabled, (ii) to individuals who are under age 19, parents or caretakers of children, or pregnant or recently pregnant women, and (iii) to individuals who meet the eligibility criteria for HMP coverage. BEM 105 (October 2014), p. 1; BEM 137 (January 2016), p. 1. HMP provides MA coverage to individuals who (i) are 19 to 64 years of age; (ii) have income at or below 133% of the federal poverty level (FPL) under the Modified Adjusted Gross Income (MAGI) methodology; (iii) do not qualify for or are not enrolled in Medicare; (iv) do not qualify for or are not enrolled in other MA programs; (v) are not pregnant at the time of application; and (vi) are residents of the State of Michigan. MPM, Healthy Michigan Plan, § 1.1.

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The Medicaid Effective Date on Petitioner's SOLQ reports, which show information concerning clients' SSA benefits accessible to the Department, showed that she

became eligible for Medicaid Part A and Part B Premiums on [REDACTED]. Therefore, as a result of Medicaid eligibility, Petitioner is not eligible for HMP coverage and eligible only for SSI-related MA.

In determining the SSI-related MA coverage Petitioner is eligible for, the Department must determine the MA fiscal group size and net income for MA purposes. Petitioner has a group size of one. A fiscal group with one member is eligible for MA coverage under the Ad-Care program, a full-coverage SSI-related MA program, if the group's net income does not exceed 100% of the federal poverty level. BEM 163 (July 2013), p. 1. BEM 163, p. 2 provides that income eligibility exists when net income does not exceed the income limit in RFT 242. Under RFT 242 (May 2015), the income limit for Ad-Care eligibility for a one-person household is [REDACTED] (which includes a \$20.00 disregard). If the [REDACTED] disregard is removed, the net income limit is [REDACTED]. However, effective [REDACTED], the income limit for a two-person household is [REDACTED]; [REDACTED] when the [REDACTED] disregard is removed. RFT 242 (April 2016), p. 1. This is consistent with 100% of the 2016 FPL. <https://aspe.hhs.gov/poverty-guidelines>.

In this case, at the time the Benefit Notice was issued, Petitioner had gross monthly income of [REDACTED]. The Department deducted the [REDACTED] disregard. Petitioner pays a Medicare premium in the amount of [REDACTED], which is also an allowable income deduction. BEM 544, pp. 1-3. After the allowable deductions are taken, Petitioner's net income is \$ [REDACTED]. Accordingly, Petitioner's net monthly income exceeds the [REDACTED] net income under the poverty guidelines for Ad-Care eligibility that applies through [REDACTED]. Therefore, the Department acted in accordance with Department policy in effect at the time Petitioner's MA eligibility determination was made when it determined that Petitioner was not eligible for full-coverage MA under the Ad-Care program for [REDACTED] ongoing.

Petitioner may be eligible for Group 2 SSI-related (G2S) MA coverage, which provides for MA coverage with a deductible. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (December 2014), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (December 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (October 2015), p. 10.

The monthly PIL for an MA fiscal group size of one living in [REDACTED] County is [REDACTED] per month. RFT 200 (December 2013), pp. 1-2; RFT 240, (December 2013) p 1. Thus, if Petitioner's net income is in excess of [REDACTED], she may become eligible for MA assistance under the deductible program, with the deductible equal to the remaining monthly income exceeding [REDACTED]. There is no dispute that Petitioner's monthly income exceeded [REDACTED], and thus, she is eligible for Group 2 MA benefits under the deductible program.

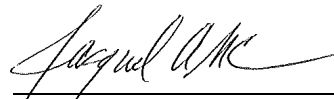
In this case, the Department presented an SSI-related MA budget showing the calculation of Petitioner's deductible (Exhibit E). As discussed above, Petitioner's net income for MA purposes is \$ [REDACTED]. Because Petitioner's net income of \$ [REDACTED] exceeds the \$ [REDACTED] PIL by [REDACTED], the Department acted in accordance with it concluded Claimant is eligible for MA subject to an [REDACTED] deductible effective [REDACTED].

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 that Petitioner was eligible for FAP benefits in the amount of [REDACTED] per month effective [REDACTED]. It is further found that the Department acted in accordance with Department policy when it determined that Petitioner was eligible for MA benefits subject to a deductible in the amount of [REDACTED] per month effective [REDACTED].

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

JM/hw



Jacquelyn A. McClinton

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

NOTICE OF APPEAL: A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; 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 48909-8139

DHHS

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

Petitioner

[REDACTED]
[REDACTED]
[REDACTED]