



RICK SNYDER  
GOVERNOR

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

SHELLY EDGERTON  
DIRECTOR

[REDACTED]

Date Mailed: July 31, 2017  
MAHS Docket No.: 17-008597  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Gary Heisler

### **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 July 27, 2017, from Lansing, Michigan. Petitioner was represented by herself. The Department was represented by Hearing Facilitator [REDACTED] [REDACTED]

### **ISSUE**

Did the Department properly determine Petitioner's Food Assistance Program (FAP) eligibility on May 9, 2017?

Did the Department properly determine [REDACTED] [REDACTED] Medical Assistance (MA) eligibility on May 31, 2017?

### **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 and her household were ongoing recipients of Food Assistance Program (FAP) benefits and Medical Assistance (MA) benefits. Petitioner's household consisted of: herself; [REDACTED] [REDACTED] Petitioner's significant other; Petitioner's three children from previous relationships; and Petitioner's child in common with [REDACTED] [REDACTED]. The household's income consisted of [REDACTED] earned income and child support for one of Petitioner's children.

2. On April 20, 2017, the Department received 3 weekly pay check stubs for [REDACTED] Gross earnings of \$ [REDACTED] on March 31, 2017; gross earnings of \$ [REDACTED] on April 7, 2017; and gross earnings of \$ [REDACTED] on April 14, 2017.
3. On May 8, 2017, the Department received a 4<sup>th</sup> weekly pay check stub for [REDACTED] Gross earnings of \$ [REDACTED] on April 21, 2017
4. On May 9, 2017, Petitioner was sent a Notice of Case Action (DHS-1605) which stated her Food Assistance Program (FAP) benefits for the household was being reduced to \$ [REDACTED] per month, beginning June 1, 2017.
5. On May 31, Petitioner was sent a Health Care Coverage Determination Notice (DHS-1606) which stated that [REDACTED] was eligible for Medical Assistance (MA) as a \$ [REDACTED] deductible, beginning July 1, 2017.
6. On June 21, 2017, Petitioner submitted a hearing request.

### **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).

#### **Food Assistance Program (FAP)**

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 Food Assistance Program (FAP) household's income and expenses were verified. The FAP financial eligibility budget was reviewed and found to be correct. The financial eligibility budget shows the FAP group has a net income of [REDACTED] Reference Table (RFT) 260 Food Assistance Issuance Tables (10-1-2016) shows that a FAP group of 6 with net income of \$ [REDACTED] is eligible for \$ [REDACTED] per month of FAP benefits.

#### **Medical Assistance (MA)**

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.

The Modified Adjusted Gross Income (MAGI) Related Eligibility Manual (May 28, 2014) provides guidance on group composition for Medical Assistance (MA) MAGI related categories and provides the following:

## **CHAPTER 5-HOUSEHOLD COMPOSITION**

### **5.1 FAMILY SIZE**

The size of the household will be determined by the principles of tax dependency in the majority of cases. Parents, children and siblings are included in the same household. Parents and stepparents are treated the same. Individual family members may be eligible under different categories.

### **5.2 TAX FILERS AND NON- TAX FILERS**

a. The household for a tax filer, who is not claimed as a tax dependent, consists of:

- Individual
- Individual's spouse
- Tax dependents

b. The household for a non- tax filer who is not claimed as a tax dependent, consists of:

- Individual
- Individual's spouse

The individual's natural, adopted and step children under the age of 19 or under the age of 21 if a full time student.

If the individual is under the age of 19 (or under 21 if a full time student), the group consists of individual's natural, adopted and step parents and natural, adoptive and step siblings under the age of 19 (or under 21 if a full time student).

The Department used a group of 3 for determining [REDACTED] [REDACTED] annual income limit for MAGI related Medical Assistance (MA) eligibility. The three were [REDACTED] his child in common with Petitioner, and one of Petitioner's children who [REDACTED] had claimed on his income tax return. The MAGI related income limit for [REDACTED] in a household size of three is \$ [REDACTED]. At the time [REDACTED] Medical Assistance (MA) eligibility was being determined, his annual income was \$ [REDACTED]. [REDACTED] was not eligible for MAGI related Medical Assistance (MA) under the Low-Income Family (LIF) category.

[REDACTED] was determined eligible for Medical Assistance (MA) as a deductible. Bridges Eligibility Manual (BEM) 135 Group 2 Caretaker Relatives (10-1-2015) provides the following:

## **FINANCIAL ELIGIBILITY FACTORS**

### **Groups**

Use the fiscal group policies for Group 2 Medicaid in BEM 211.

### **Assets**

Countable assets cannot exceed the asset limit in BEM 400. Countable assets are determined using BEM 400 and BEM 401.

### **Divestment**

Policy in BEM 405 applies because income can be divested.

### **Income Eligibility**

Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. Apply the Medicaid policies in BEM 500, 530 and 536 to determine net income.

If the net income exceeds Group 2 needs, Medicaid eligibility is still possible. See BEM 545.

Bridges Eligibility Manual (BEM) 545 MA Group 2 Income Eligibility (1-1-2017) provides:

### **DEDUCTIBLE**

Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred.

### **Active Deductible**

Open an MA case **without ongoing Group 2 MA coverage** on Bridges as long as:

- The fiscal group has excess income, **and**
- At least one fiscal group member meets all other Group 2 MA eligibility factors.

Such cases are called active deductible cases. Periods of MA coverage are added each time the group meets its deductible.

### **Deductible Period**

Each calendar month is a separate deductible period.

### **Starting the First Deductible Period**

The first deductible period:

Cannot be earlier than the processing month for applicants.  
Is the month following the month for which MA coverage is authorized for recipients.

### **Deductible Amount**

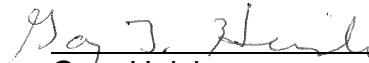
The fiscal group's monthly excess income is called a deductible amount.

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 Petitioner's Food Assistance Program (FAP) eligibility on May 9, 2017 and [REDACTED] [REDACTED] Medical Assistance (MA) eligibility on May 31, 2017.

### **DECISION AND ORDER**

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

GH/nr



---

Gary Heisler  
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]

[REDACTED]

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]

[REDACTED]