



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

ORLENE HAWKS
DIRECTOR

[REDACTED]
[REDACTED]
[REDACTED]

Date Mailed: March 8, 2019
MAHS Docket No.: 18-013220
Agency No.: [REDACTED]
Petitioner: [REDACTED]

ADMINISTRATIVE LAW JUDGE: John Markey

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; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, an in-person hearing was held on February 27, 2019, in Warren, Michigan. Petitioner appeared and represented himself. The Department of Health and Human Services (Department) was represented by Rinetra Thompson, Eligibility Specialist, and Emily Luther, Family Independence Manager. During the hearing, a 54-page packet of document was offered and admitted into evidence as Exhibit A, pp. 1-54.

ISSUE

Did the Department properly determine Petitioner's Food Assistance Program (FAP) benefits, effective November 1, 2018, ongoing?

Did the Department properly determine Petitioner's eligibility for Medicaid (MA) benefits, effective November 1, 2018?

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 was an ongoing recipient of MA benefits under the AD-Care program and FAP benefits.
2. On [REDACTED], 2018, Petitioner submitted to the Department an application for State Emergency Relief (SER) benefits, a completed Redetermination form for his

MA benefits, and a completed Mid-Certification Contact Notice form for his FAP benefits. Exhibit A, pp. 8-23.

3. Upon processing Petitioner's submissions, the Department issued to Petitioner a September 26, 2018, Health Care Coverage Determination Notice informing Petitioner that he was eligible for MA benefits subject to a \$605 monthly deductible, effective November 1, 2018. Exhibit A, pp. 24-27.
4. On October 5, 2018, the Department issued to Petitioner a Notice of Case Action informing Petitioner that he was eligible to receive \$141 per month in FAP benefits, effective November 1, 2018, ongoing. Exhibit A, pp. 34-36.
5. On [REDACTED], 2018, Petitioner submitted to the Department a request for hearing objecting to the Department's determination of Petitioner's eligibility for MA and FAP benefits, both effective November 1, 2018.

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).

In this case, Petitioner objects to the Department's findings regarding Petitioner's eligibility for FAP and MA benefits from the Department. Petitioner's position is that the Department should be issuing him more in monthly FAP benefits and that he should be eligible for full-coverage MA under the AD-Care program.

FAP BENEFITS, EFFECTIVE NOVEMBER 1, 2018

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.

Petitioner objects to the Department's calculation of his monthly FAP benefits. The Department calculated Petitioner's FAP benefit amount for November of 2018 ongoing by taking into account Petitioner's reported and verified income and expense information. Petitioner had total income of \$1,033, all of which was unearned. The standard deduction of \$158 and a \$15 medical expense were then taken out, resulting in adjusted gross income of \$860. Petitioner provided no other information to the Department regarding any other medical expenses. Petitioner did not report any child care or child support expenses. Thus, further deductions are not applicable.

Petitioner is eligible for the excess shelter deduction. Petitioner had housing costs of \$578 and was eligible for the heat/utility standard of \$543. Adding the shelter expenses Petitioner qualified for together, Petitioner had monthly shelter expenses of \$1,121. The excess shelter deduction is calculated by subtracting from the \$1,121 one half of the adjusted gross income of \$860, which is \$430. The remaining amount, if it is greater than \$0, is the excess shelter deduction. In this case, the remaining amount is \$691. Petitioner's net income is calculated by subtracting the excess shelter deduction of \$691 from the adjusted gross income of \$860. Accordingly, Petitioner's net income is \$169.

The Food Assistant Issuance Table shows \$141 in monthly benefits for \$169 net income for a household of one. RFT 260 (October 2018), p. 3. This is the amount determined by the Department and is correct. The Department acted in accordance with Department policy when it determined Petitioner's FAP benefits for November of 2018 ongoing.

MA BENEFITS, EFFECTIVE NOVEMBER 1, 2018

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.

Petitioner was an ongoing MA recipient under the full-coverage AD-Care program. On September 26, 2018, the Department informed Petitioner that his eligibility was redetermined and that he was now eligible for MA coverage under the Group 2 Medicaid (G2S) program subject to a \$605 monthly deductible. Petitioner objected to the Department's redetermination of his MA eligibility. He contends that it should not have changed because nothing in his situation changed.

Petitioner is in a group size of one, is disabled, and receives \$1,033 per month in unearned income. As a disabled and/or aged individual, Petitioner is potentially eligible to receive MA benefits through AD-Care. AD-Care is an SSI-related full-coverage MA program. BEM 163 (July 2017), p. 1. As Petitioner is the only member of his household, per policy, Petitioner's fiscal group size for SSI-related MA benefits is one. BEM 211 (January 2016), p. 7. It was not disputed that Petitioner receives \$1,033 per month in unearned income in the form of RSDI. BEM 541 (January 2018), p. 3. The Department gives AD-Care budget credits for employment income, guardianship and/or conservator expenses and cost of living adjustments (COLA) (for January through March only). Petitioner did not allege any such factors were applicable, and the COLA credit does not apply as the benefits in question were for the month of November 2018. Income eligibility for AD-Care exists when countable income does not exceed the income limit for the program. BEM 163, p. 2. The monthly income limit for AD-Care for a one-person MA group is \$1,031.67 (100 percent of the Federal Poverty Level plus the \$20 disregard

for RSDI income). RFT 242 (April 2018), p. 1; BEM 541 (January 2018), p. 3. Because Petitioner's monthly household income exceeds \$1,031.67, the Department properly determined Petitioner to be ineligible for MA benefits under AD-Care, even though Petitioner only exceeded the limit by less than \$2.


Petitioner may still receive MA benefits subject to a monthly deductible through the G2S program. G2S is an SSI-related MA category. BEM 166 (April 2017), p.1. As stated above, Petitioner's SSI-related MA group size is one. Petitioner's net income is \$1,013 (his gross income reduced by a \$20 disregard). BEM 541, p. 3. The deductible is the amount that the client's net income (less any allowable needs deductions) exceeds the applicable G2S protected income levels (PIL); the PIL is based on the client's MA fiscal group size and the county in which he resides. BEM 105, p. 1; BEM 166, pp. 1-2; BEM 544 (July 2016), p. 1; RFT 240 (December 2013), p. 1; RFT 200 (April 2017), p. 2. The monthly PIL for a client in Petitioner's position, with an MA fiscal group size of one living in Macomb County, is \$408 per month. RFT 200, p. 2; RFT 240, p. 1. Thus, if Petitioner's monthly net income (less allowable needs deductions) is in excess of \$408, he is eligible for MA assistance under the deductible program, with the deductible equal to the amount that his monthly net income, less allowable deductions, exceeds \$408. BEM 545 (April 2018), pp. 2-3.

In determining the monthly deductible, net income is reduced by health insurance premiums paid by the MA group and remedial service allowances for individuals in adult foster care or homes for the aged. BEM 544, pp. 1-3. In this case, there was no evidence that Petitioner has a monthly health insurance premium or resides in an adult foster care home or home for the aged. Therefore, he is not eligible for those allowances. Petitioner's net income of \$1,013 reduced by the \$408 PIL equals \$605. That is what the Department concluded and was correct. Therefore, the Department properly determined that Petitioner is eligible for MA benefits under the G2S program subject to a monthly deductible of \$605, effective November 1, 2018.

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 Petitioner's eligibility for FAP and MA benefits, effective November 1, 2018 ongoing. Accordingly, the Department's decisions are **AFFIRMED**.

JM/cg



John Markey
Administrative Law Judge
for Robert Gordon, 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) 763-0155; 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

Via Email:

MDHHS-Macomb-20-Hearings
M. Holden
D. Sweeney
D. Smith
EQAD
BSC4- Hearing Decisions
MAHS

Petitioner – Via First-Class Mail:

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