

## **SAMPLE 1**

### **HEARING SUMMARY DETAILS**

Jack and Sarah Able  
OAH #06-DHR-15-0000  
06-DHMH-30-0000  
May 9, 2005

Mr. and Mrs. Able are appealing the closing of their Food Stamp benefits for them and their two children and the denial of their application for Medical Assistance for themselves. The children receive Medical Assistance under the Maryland Children's Health Program (MCHP). Mrs. Able was seen for redetermination of the family's Food Stamp benefits and the MA application on April 3, 2005.

Mr. Able is self-employed. His gross income before deductions was \$64,772. The case manager entered incorrect income information into the eligibility system when she was determining the household's financial eligibility at redetermination. The information was taken from the 2003 income tax return forms. However, based on the incorrect income information, which was less than the actual income, the household was ineligible for benefits.

#### **Food Stamp Calculation:**

The shelter costs are: \$733.30 per month mortgage and they pay all utilities including heat, air conditioning and telephone.

Food Stamp benefits are calculated using federal guidelines as follows:

1. \$64,772 gross profit as stated on the Profit or Loss Statement from the 2004 federal income tax form.
2.  $\$64,772/12$  to determine monthly income = \$5398
3.  $\$5398/30\%$  (allowable deduction for self-employment)=\$1619 (this is disregarded income)
4.  $\$5398 - \$1619 = \$3679$  countable income

The monthly countable income of \$3679 exceeds allowable monthly gross income standard of \$2043 for household of four. The Food Stamps were closed with a system generated letter (dated 3/16/05) effective 3/31/05.

#### **The Medical Assistance Calculation:**

1. Gross income as stated above  $\$64,744/12$  to determine a monthly amount = \$5,398 per month.
2.  $\$5,398 \times 6$  months (certification period) = \$32,388 gross income for the consideration period.
3.  $\$32,388 \times 50\%$  (self-employment deduction)=\$16,194.

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4.  $\$32,388 - \$16,194 = \$16,194$  in countable income for Medical Assistance.
5.  $\$16,194 - \$540$  (flat work expense deduction of \$90 per month x 6 months) = \$15,654.
6.  $\$15,654 - \$2,850$  (monthly allowable income x 6 months of the consideration period) = \$12,804.

The countable income for Medical Assistance for Families and Children (FAC) coverage is \$12,804 for the consideration period. The allowable income is \$2,850 for the consideration period. The family is ineligible for FAC coverage. The system generated letter advising the Medical Assistance was in a spend down status was mailed on 3/16/05. Spend-down status indicates the family meets technical eligibility requirements but the income exceeds the limits. When the family has medical expenses that equal or exceed the "spend-down amount" within the consideration period, the family becomes eligible for Medical Assistance. The bills that were used to spend down the income are not covered.

The children are covered for Medical Assistance under the Maryland Children's Health Program.