

STATE OF MICHIGAN  
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES

ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF: [REDACTED],  
Claimant

Reg. No.: 2009-26279  
Issue No.: 2026; 3002  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
August 20, 2009  
Oakland County DHS (2)

ADMINISTRATIVE LAW JUDGE: Colleen M. Mamelka

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for hearing. After due notice, a hearing was conducted from Madison Heights, Michigan on August 20, 2009. The Claimant appeared and testified. [REDACTED] appeared on behalf of the Department.

ISSUE

1. Whether the Department properly calculated the Claimant's Food Assistance ("FAP") benefits effective April 17, 2009?
2. Whether the Department properly calculated and notified the Claimant of her Medical Assistance ("MA") deductible based upon excess income?

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 is a FAP and MA recipient.

2. On May 20, 2009, the Department received notification that the Claimant was receiving unemployment compensation benefits in the amount of \$724.00 bi-weekly. (Exhibit 1)
3. As a result, the Department recalculated the Claimant's FAP allotment to include the unearned income. (Exhibit 2)
4. The Department also recalculated the Claimant's MA budget. (Exhibit 4)
5. The Claimant's shelter obligation is \$1,100.00 each month.
6. The Claimant is responsible for utilities.
7. The Department calculated the Claimant's FAP benefits amount as \$22.00. (Exhibit 2)
8. On May 20, 2009, the Department sent a Notice of Case Action informing the Claimant that her FAP benefits were being reduced to \$22.00 due to the unearned income. (Exhibit 3)
9. The Department determined that due to the unemployment compensation income, the Claimant was required to meet a MA deductible before coverage would be effective due to excess income. (Exhibit 4)
10. The Department notified the Claimant of the change in MA coverage.
11. On May 29, 2009, the Department received the Claimant's written request for hearing protesting the reduction in benefits. (Exhibit 3)
12. On July 22, 2009, the Department received the Claimant's written request for hearing protesting the MA deductible. (Exhibit 5)

#### CONCLUSIONS OF LAW

The Food Assistance Program, formerly known as the Food Stamp ("FS") program, is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations ("CFR"). The Department of

Human Services (“DHS”), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Program Administrative Manual (“PAM”), the Program Eligibility Manual (“PEM”), and the Program Reference Manual (“PRM”).

The Medical Assistance (“MA”) program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the DHS pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the PAM, PEM, and PRM.

Group composition is the determination of which persons living together are included in the FAP program group. PEM 212 All countable earned and unearned income available to the client must be considered in determining the Claimant’s eligibility for program benefits. PEM 500 The Department must consider the gross benefit amount before any deduction, unless Department policy states otherwise. PEM 500 A group’s monthly benefits are based in part, on a prospective income determination. PEM 505 A standard monthly amount must be determined for each income source used in the budget. PEM 505 Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. PEM 505 Bi-weekly amounts are converted by multiplying the amount by 2.15. PEM 505

In determining a FAP allotment, a Heat and Utility Standard is used whenever a FAP group contributes to the heat expense separate from rent, mortgage, or condominium/maintenance payments. PEM 554

MA income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses that equal or exceed the excess income. PEM 545 The fiscal group’s monthly excess income is called a deductible amount. PEM 545 Meeting a



NOTICE: Administrative Hearings 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. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 60 days of the filing of the original request.

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 was made, within 30 days of the receipt date of the rehearing decision.

CMM/jlg

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