

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: 2009-2432  
Issue No: 2001; 3003  
Case No: [REDACTED]  
Load No: [REDACTED]  
Hearing Date:  
February 4, 2009  
Oakland County DHS

ADMINISTRATIVE LAW JUDGE: Jay W. Sexton

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon claimant's request for a hearing. After due notice, a telephone hearing was held on February 4, 2009, in Walled Lake. Claimant personally appeared and testified under oath. The department was represented by [REDACTED]

The Administrative Law Judge appeared by telephone from Lansing.

ISSUE

- (1) Did the department correctly compute claimant's FAP eligibility for October 2008?
- (2) Did the department correctly compute claimant's MA-N eligibility for October 2008?

FINDINGS OF FACT

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

- (1) Claimant, her husband and her minor daughter are FAP and MA-N recipients.
- (2) Claimant's husband obtained employment with [REDACTED] in September 2008. His initial wage was [REDACTED] an hour at 40 hours a week.
- (3) There is no other earned or unearned income in the household.
- (4) The FAP income limit for claimant's household in October was not provided.
- (5) On October 8, 2008, the caseworker prepared a new FAP eligibility budget to determine the household's continuing eligibility for FAP benefits. The October eligibility budget shows the following: Gross FAP income-- [REDACTED]; Standard Deduction-- [REDACTED]; Adjusted Gross Income-- [REDACTED]; Excess Shelter Allowance-- [REDACTED]; Net FAP income-- [REDACTED]; FAP Allowance for November-- [REDACTED].
- (6) The caseworker sent proper notice of claimant's Food Stamp eligibility for November 2008 on October 8, 2008.
- (7) On October 8, 2008, the caseworker also prepared an eligibility budget for November 2008 for MA-N. The budget shows the following: MA-N income-- [REDACTED]; work expense deduction-- [REDACTED]; one-third income deduction-- [REDACTED]; Net MA-N income-- [REDACTED]; MA-N income limit (group size of three)-- [REDACTED]; excess income—spend-down-- [REDACTED].
- (8) Proper notice of claimant's November MA-N spend-down was sent on October 8, 2008.
- (9) On October 15, 2008, claimant submitted a timely hearing request.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (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 or department) administers the FAP program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3001-3015. Department 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 Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (DHS or department) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Program Administrative Manual (PAM), the Program Eligibility Manual (PEM) and the Program Reference Manual (PRM).

In order to receive MA benefits based upon disability or blindness, claimant must be disabled or blind as defined in Title XVI of the Social Security Act (20 R 416.901). DHS, being authorized to make such disability determinations, utilizes the SSI definition of disability when making medical decisions on MA applications. MA-P (disability), also is known as Medicaid, which is a program designated to help public assistance claimants pay their medical expenses.

Pursuant to Federal Rule 42 CFR 435.540, the Department of Human Services uses the federal Supplemental Security Income (SSI) policy in determining eligibility for disability under the Medical Assistance program. Under SSI, disability is defined as:

...the inability to do any substantial gainful activity by reason of any medically determinable physical or mental impairment which

can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.... 20 CFR 416.905

The department's income and eligibility policies provide for the Medicaid budget being a system to determine financial eligibility. In order to be eligible for Medicaid benefits, the claimant must establish that she meets the income and asset limits for each program. Each program has a separate income limit. Medicaid eligibility is calculated by the department's computer based on household size and earned and unearned income, if any. PEM 500-550; PAM 105, 110, 115 and PRT, page 6.

The department's income and eligibility policies provide for a FAP budgeting system to determine FAP eligibility. FAP eligibility is calculated by the department's computer system based on household size and earned and unearned income, if any. PEM 500-550; PAM 105, 110, 115 and PRT, page 1. See also PEM 554. The department's FIM provides that all other income received by the household group must be covered as household income for Food Assistance Program (FAP) eligibility purposes. PEM 500; 7 CFR 273.9. The caseworker correctly used claimant's earned income from Advanced Auto Parts to determine November Food Assistance Program eligibility.

The preponderance of the evidence in the record shows that the department gave claimant the proper allowances during the complication of claimant's November FAP and MA-N eligibility. The Administrative Law Judge has no authority to increase the standard deductions or any other deductions used to determine FAP and MA-N eligibility.

There is no evidence of arbitral, capricious action on behalf of the department in calculating claimant's eligibility for FAP and MA-N for the month in questions.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the department correctly budgeted claimant's earned income and correctly determined claimant's Food Assistance Program allotment (\$199) and her MA-N spend-down (\$94) effective November 2008.

Therefore, the department's actions are, hereby, AFFIRMED.

SO ORDERED.

/s/ \_\_\_\_\_  
Jay W. Sexton  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: February 17, 2009

Date Mailed: February 17, 2009

**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 90 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.

JWS/tg

cc:

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