

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.: 2010-14731  
Issue No.: 3002, 2018  
Case No.: [REDACTED]  
Load No.: [REDACTED]  
Hearing Date:  
May 19, 2010  
Wayne County DHS (19)

ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris

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 a hearing. After due notice, a telephone hearing was conducted on May 19, 2010. Claimant appeared and testified. Barbara Milhouse FIS and Phil Dew, FIM appeared on behalf of the Department.

ISSUE

Whether the Department of Human Services (DHS) properly calculated and reduced the Claimant's Food Assistance Program ("FAP") benefits beginning with benefit month 11/1/2009.

Whether the Department of Human Services (DHS) properly closed the Claimant's Medicaid case on November 30, 2009.

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 is a current FAP recipient and was a Medicaid recipient as a caretaker of a relative (child).
2. The Claimant's FAP benefits were reduced, effective 11/1/09, due to income that had not been previously budgeted by the Department. Exhibit 1. The Claimant's earned income of \$926 per month and SSI of \$688 received by the Claimant's child were not included in the previous FAP budget.
3. The Claimant did not dispute the amount of the earned income she received and the SSI received by her child.
4. The Claimant's Medicaid benefits were closed by the Department on November 30, 2009. Exhibit 1
5. Claimant has a FAP benefit group of two.
6. Claimant is part of an SDV group.
7. Claimant's rent was \$496 at the time of the FAP benefit decrease.
8. During a semi annual review, the Claimant submitted a change (increase) in her mortgage expense from \$496 to \$748.
9. Claimant is responsible for paying heat.
10. The Department submitted FAP budgets demonstrating the claimant's FAP benefit entitlement. The September 2009 budget included no income. Exhibit 2. The FAP budget prepared November 1, 2009 included the correct income amount and shelter amounts and correctly computed the monthly FAP benefit to be \$99. Exhibit 3. The FAP budgets prepared by the Department are correct. Exhibits 2 and 3.
11. The Department did not provide a Medicaid budget for the Claimant at the hearing and could not determine why the Claimant's Medicaid benefits had closed.

12. No basis was presented by the Department to support the Claimant's Medicaid case closure.
13. Claimant filed a Hearing Request on 11/22/09 objecting to the amount of her FAP and the closure of her Medicaid benefits.

#### 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 Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Reference Table Manuals ("RFT").

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 (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

DHS processed a FAP budget for Claimant for the period beginning November 1, 2009. This budget was based on the Claimant's receiving earned income and her child's SSI. The total gross income as determined by the budget is \$1614 and is correct. This budget also contains the correct mortgage amount and an allowance for heat. After review of the budget as prepared by

the Department it is determined that the benefit amount is correctly computed to be \$99. Based on this income level the Department calculated a monthly FAP benefit amount of \$99. Exhibit 3

The previous budget prepared by the Department did not contain any earned income, which the claimant began receiving in September 2009 and did not include her child's SSI income; therefore, this budget was incorrect. Exhibit 2.

Claimant's housing expense is changed as of February 2010 from \$496 per month to \$748 per month. This increase may result in the Claimant's group receiving more FAP benefits once a budget is calculated. However, that budget was not available for this hearing.

The Claimant's Medicaid benefits were terminated without explanation. Under these circumstances, the Department is required to reinstate the Claimant's Medicaid case retroactive to the date of closure, November 1, 2009 and determine the claimant's eligibility for Medicaid and whether, based on her income, her Medicaid benefits will be subject to a deductible spend down amount if she is otherwise eligible.

Based upon the foregoing facts and law, it is determined that the Department properly calculated the Claimant's FAP benefits in November 2009; the reduction of benefits by the Department is correct. The Department's determination in that regard is correct and must be **AFFIRMED**.

Based upon the foregoing facts and law, it is determined that the Department improperly closed the Claimant's Medicaid benefits. The Department's decision with regard to Medicaid must be **REVERSED**.

#### DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly calculated Claimant's FAP benefits beginning the month of

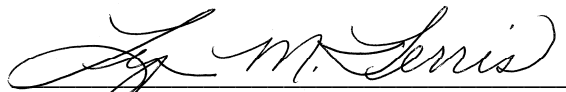
November 1, 2009. Accordingly, the Department's FAP benefit calculations and the FAP benefit reduction for November 1, 2009 are AFFIRMED.

The Department shall prepare a new FAP budget for the Claimant's group pursuant to the annual review and shall include the Claimant's new mortgage amount as of February, 2010.

The Department's closure of the Claimant's Medicaid case is REVERSED.

Accordingly, it is ORDERED:

The Department shall reopen the Claimant's Medicaid case retroactive to November 30, 2009, the date of closure, and shall prepare a Medicaid budget to determine the Claimant's eligibility. If the Claimant is deemed eligible, the Department shall determine the amount of the Medicaid deductible spend-down, if any, and shall reinstate Medicaid coverage accordingly.



Lynn M. Ferris  
Administrative Law Judge  
for Ismael Ahmed, Director  
Department of Human Services

Date Signed: 06/28/10

Date Mailed: 07/01/10

**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 mailing 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.

LMF/dj

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cc:

