

STATE OF MICHIGAN
STATE OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201039682
Issue No.: 2026; 3000
Case No.: [REDACTED]
Load No.: [REDACTED]
Hearing Date: July 29, 2010
Macomb County DHS

ADMINISTRATIVE LAW JUDGE: Aaron McClintic

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 held on July 29, 2010. The Claimant appeared and testified. [REDACTED], ES appeared on behalf of the Department.

ISSUE

Was the Department correct in reducing Claimant's Food Assistance Program benefits and determining Medical Assistance benefits?

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 was an ongoing recipient of FAP and MA benefits.
- (2) On May 26, 2010 Claimant's FAP was reduced to \$28 and a deductible of \$540 was determined for the household.
- (3) Claimant receives \$968 unearned income from social security benefits and veteran's administration benefits.
- (4) Claimant has shelter expense of \$682.
- (5) Claimant requested a hearing on June 14, 2010 contesting the determination of MA benefits and reduction of FAP 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 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 (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 Program Reference Manual (PRM).

The federal regulations define household income to include all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. BEM 550. Under 7 CFR 273.9, as amended, \$132.00 is deducted from the gross income of FAP recipients in determining FAP grants.

In the present case, according to the aforementioned policy on budgeting, Claimant had \$968 gross unearned income from social security benefits and veteran's administration benefits. Subtracting \$132 from \$986 results with \$836 adjusted gross income. Claimant qualified for an excess shelter deduction of \$264 as his shelter expenses \$682 was in excess of \$418 (50 percent of \$836, income after prior deductions were made.) by \$264. Subtracting \$264 from \$836 results with \$572 net income. A household of one with a net monthly income of \$572 is entitled to a monthly FAP grant of \$28 per month. RFT 260. Therefore the Department's determination of FAP benefits is correct. Since Claimant is disabled and a veteran he is entitled to have his medical expenses deducted from his income for the purpose of calculating Food Assistance once medical expenses are documented. This procedure was explained to Claimant at hearing.

In the present case, Claimant is contesting the deductible amount for his MA benefits. The Department determined that Claimant had net income of \$948 which exceeds the monthly protected income level for a 1 person household of \$408 by \$540 per month. Claimant was consequently ineligible to receive Medical assistance. However under the deductible program, if the Claimant incurs medical expenses in excess of \$540 during the month he may then be eligible for Medical Assistance. This ALJ finds that the

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Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining his deductible amount.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the closure of Claimant's FAP benefits and determination of MA deductible amount, and it is ORDERED that the Department's decision is hereby AFFIRMED.

/s/



Aaron McClintic
Administrative Law Judge
For Ismael Ahmed, Director
Department of Human Services

Date Signed: August 3, 2010

Date Mailed: August 3, 2010

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.

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