

STATE OF MICHIGAN  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
ADMINISTRATIVE HEARINGS FOR THE  
DEPARTMENT OF HUMAN SERVICES

IN THE MATTER OF:

[REDACTED]

Reg No.: 2011-28921  
Issue No.: 2026;3002  
Case No.: [REDACTED]  
Hearing Date: May 11, 2011  
Wayne County DHS (55)

ADMINISTRATIVE LAW JUDGE: Lynn 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 from Detroit, Michigan on Wednesday, May 11, 2011. The Claimant appeared and testified. [REDACTED] interpreted the Claimant's testimony. [REDACTED] appeared on behalf of the Department of Human Services ("Department").

**ISSUE**

1. Whether the Department properly determined the Claimant's Food Assistance benefits, effective March 2011?
2. Whether the Department properly determined the Claimant's Medical Assistance deductible amount?

**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 recipient of Food Assistance ("FAP") and Medical Assistance ("MA").
2. The Claimant receives \$724.00 bi-weekly in unemployment compensation benefits. (Exhibit 4)

3. The Claimant confirmed this amount at the hearing. This is the only income his family receives.
4. The Claimant currently receives \$517.00 in FAP benefits per month. (Exhibit 1)
5. The Claimant's FAP group consists of 5 members.
6. The Claimant's mortgage is \$600.00 per month plus taxes and insurance.
7. The Claimant testified that he has not received his FAP benefits since February or March 2011.
8. In March 2011, the Claimant received FAP in the amount of \$347.00.
9. The Claimant received \$517.00 in FAP benefits for April 2011. The Claimant's income from unemployment has been the same until recently. The Department could not explain why the benefits were reduced for March 2011.
10. The Claimant has a Medical deductible, for both he and his spouse, in the amount of \$315.00 per month.
11. The Claimant, through his authorized representative, requested a hearing on April 1, 2011, protesting the calculation of his FAP benefits and the deductible amount for his medical assistance.

### CONCLUSIONS OF LAW

In the record presented, the Claimant requested a hearing regarding the calculation of her FAP allotment as well as the MA deductible amount. Each program will be addressed separately.

#### FAP benefits

The Food Assistance Program, formerly known as the Food Stamp 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, formerly 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 Bridges Reference Manual ("BRM").

Group composition is the determination of which persons living together are included in the FAP program group. BEM 212 Shelter expense is an allowable expense and includes rent payments. BEM 554 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 determines a client's eligibility for program benefits

based on the client's actual income and/or prospective income. Prospective income is income not yet received but expected. BEM 505 Prospective budgeting is the best estimate of the client's future income for future benefits. BEM 505 All income is converted to a monthly amount. BEM 505 A standard monthly amount must be determined for each income source used in the budget. BEM 505 Weekly benefit amounts are converted to a monthly amount by multiplying the weekly amount by 4.3. BEM 505 Bi-weekly amounts are converted by multiplying the amount by 2.15. BEM 505

In this case, the Claimant received \$724.00 bi-weekly in unemployment compensation benefits. The Department correctly prospectively budgeted \$1,556.00 ( $\$724.00 \times 2.15$ ) in monthly unearned income; used the correct group size; and allowed for the shelter deduction. The monthly FAP allotment was \$517.00 effective April 2011. In March 2011, the Claimant received \$347.00 in FAP benefits despite the fact that there was no change in circumstances. The Department was unable to explain why the Claimant received a reduced amount. In light of the foregoing, it is found that the Department's March 2011 FAP determination is not upheld. The Department's FAP determination for April 2011 is affirmed.

#### MA deductible

The Medical Assistance program is established by Subchapter XIX of Chapter 7 of The Public Health & Welfare Act, 42 USC 1397, and is administered by the Department pursuant to MCL 400.10 *et seq* and MCL 400.105. Department policies are found in the BAM, BEM, and BRM.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. BEM 105 The Medicaid program is comprised of several categories; one category is for FIP recipients while another is for SSI recipients. BEM 105 Programs for individuals not receiving FIP or SSI are based on eligibility factors in either the FIP or SSI program thus are categorized as either FIP-related or SSI-related. BEM 105 To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formally blind or disabled. BEM 105

FIP- and SSI-related Group 2 eligibility is possible even when net income exceeds the income limit because incurred medical expenses are considered. BEM 105 Eligibility is determined on a calendar month basis. BEM 105 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. BEM 545 The fiscal group's monthly excess income is called a deductible amount. BEM 545 Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 In determining budgetable income for group 2 FIP-related and Healthy Kids MA benefits, BEM 536 is utilized.

In this case, the Claimant received \$724.00 (bi-weekly) in unemployment compensation benefits. The Claimant has 4 dependents (spouse and 3 children) therefore the Claimant's prorated income was \$209.00 (\$1,448.00/6.9; BEM 536). This prorated income is then multiplied by 2.9 for the adult's share of own income which equals \$606.00. The prorated shares are added together to arrive at the Claimant's net income for MA purposes of \$815.00. The income limit of \$500.00 is subtracted from the Claimant's net income resulting in the Claimant's deductible amount of \$315.00. Ultimately, the Department established it acted in accordance with Department policy when it calculated the Claimant's MA budget. Accordingly, the Department's MA determination is AFFIRMED.

### DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law, finds the Department's FAP determination is AFFIRMED in part, REVERSED in part. It is further held that the MA budget is AFFIRMED.

Accordingly, it is ORDERED:

1. The Department's March 2011 FAP determination is REVERSED.
2. The Department shall recalculate the Claimant's FAP allotment for March 2011, and supplement the Claimant for any lost benefits that he was otherwise eligible and qualified to receive in accordance with Department policy.
3. The Department's April 2011 FAP determination is AFFIRMED.
4. The Department's MA budget is AFFIRMED.



Lynn Ferris  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: 05/19/11

Date Mailed: 05/20/11

**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

cc:

