

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201150884  
Issue No.: 3003  
Case No.: [REDACTED]  
Hearing Date: September 28, 2011  
Oakland County DHS (03)

**ADMINISTRATIVE LAW JUDGE:** Christian Gardocki

**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 September 28, 2011 from Detroit, Michigan. The claimant appeared and testified; [REDACTED] appeared and testified as Claimant's authorized hearing representative (AHR). On behalf of Department of Human Services (DHS), [REDACTED], Manager, and [REDACTED], Specialist, appeared and testified.

**ISSUE**

Whether DHS properly included Claimant's medical expenses in factoring Claimant's eligibility for Food Assistance Program (FAP) benefits.

**FINDINGS OF FACT**

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

1. Claimant was an ongoing FAP benefit recipient.
2. On an unspecified date, Claimant incurred \$900 in medical expenses (from a period of 8/2010-10/2010) and submitted the verification of the expenses to DHS.
3. DHS intended to budget the medical expenses over 12 months of Claimant's FAP benefit period.
4. DHS failed to budget the medical expenses purportedly due to a computer error.

5. On 2/3/11, DHS mailed Claimant a Notice of Case Action concerning Claimant's FAP benefits for 3/2011, which informed Claimant that no medical expenses were budgeted in determining Claimant's FAP benefit issuance.
6. On 2/11/11, Claimant requested a hearing due to the failure by DHS to budget Claimant's medical expenses.

### **CONCLUSIONS OF LAW**

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). DHS administers the FAP pursuant to Michigan Compiled Laws 400.10, *et seq.*, and Michigan Administrative Code R 400.3001-3015. DHS regulations are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT). Updates to DHS regulations are found in the Bridges Policy Bulletin (BPB).

The controlling DHS regulations are those that were in effect as 2/2011, the estimated month of the DHS decision which Claimant is disputing. Current DHS manuals may be found online at the following URL: <http://www.mfia.state.mi.us/olmweb/ex/html/>.

In the present case, Claimant's only dispute was the alleged failure by DHS to factor medical expenses in determining Claimant's FAP benefits. DHS did not dispute that the medical expenses should have been budgeted over a 12 month period. DHS only contended that the medical expenses may have been budgeted over a period from 10/2010-9/2011 because of a Medical Expense document from Bridges (the DHS database) which showed expenses were considered over a period of 10/2010-9/2011.

A FAP benefit budget from 3/2011 was submitted. The budget month is from the time period in which DHS contended that the expenses were factored. The budget showed that DHS budgeted \$0 for medical expenses for Claimant. The budget was the best evidence that DHS failed to consider Claimant's verified medical expenses. For good measure, the Notice of Case Action corresponding to the 3/2011 FAP benefit month also listed \$0 in medical expenses. Though DHS applies a \$35 copayment when budgeting expenses (see BEM 556 at 3), that would still leave \$40 in countable monthly medical expenses based on \$75/month in incurred medical expenses (\$75 being the monthly average for \$900/year in medical expenses). Because the 3/2011 FAP budget failed to indicate a \$40 credit in medical expenses is definitive evidence that DHS failed to budget the expenses, at least for 3/2011. There was no reason to believe that DHS budgeted the medical expenses in any other FAP benefit month. It is found that DHS failed to properly budget Claimant's reported medical expenses.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly excluded Claimant's verified medical expenses in determining Claimant's FAP benefit issuances from 3/2011 through 2/2012. It is ordered that DHS:

- (1) recalculate Claimant's FAP benefits from 3/2011, while crediting Claimant for \$75 in incurred medical expenses over the period from 3/2011-2/2012;
- (2) supplement Claimant for any FAP benefits not received as a result of the DHS error.

The actions taken by DHS are REVERSED.

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Christian Gardocki  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: \_\_\_\_\_

Date Mailed: \_\_\_\_\_

**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 of the rehearing decision.

CG/hw

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