

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.: 2011-12446
Issue No.: 2001/3002
Case No.: [REDACTED]
Hearing Date: January 26, 2011
Wayne County DHS (31)

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 January 26, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Specialist, appeared and testified.

ISSUES

1. Whether DHS properly calculated Claimant's eligibility for Food Assistance Program (FAP) benefits as \$16/month.
2. Whether DHS properly denied Claimant's application for Medical Assistance (MA) 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. On 10/19/10, Claimant applied for FAP and MA benefits.
2. Claimant was part of a household size of two persons which included Claimant and his spouse.
3. Claimant receives \$666/two weeks in gross unemployment compensation (UC) income.
4. Claimant's spouse is a disabled individual that received \$875.50/month in gross Retirement, Survivors, Disability Insurance (RSDI) income.

5. Claimant was responsible for a monthly mortgage of \$456.
6. On an unspecified date, DHS determined that Claimant was eligible for \$16/month in FAP benefits.
7. On an unspecified date, DHS determined that Claimant had excess income for Adult Medical Program (AMP) eligibility.
8. On 12/8/10, Claimant requested a hearing disputing the FAP benefit issuance amount and the denial of MA benefits.

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). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program 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).

In the present case, Claimant disputed the \$16/month FAP benefit issuance. BEM 556 outlines the proper procedures for calculating FAP benefits.

It was not disputed that Claimant's spouse received \$875.50/month in gross RSDI income. In calculating FAP benefits, DHS is to count the gross employment income amount. BEM 501 at 5.

It was also not disputed that Claimant received \$666/two weeks in gross UC income. DHS is to count the gross amount of UC in calculating FAP benefits. BEM 503 at 24.

DHS converts biweekly non-child support income into a 30 day period by multiplying the average income by 2.15. BEM 505 at 6. Multiplying Claimant's biweekly UC income (\$666) by 2.15 results in a monthly countable income amount of \$1431 (dropping cents).

Claimant's monthly UC income (\$1431) income is added to his spouse's RSDI (\$875) to determine the FAP group's total countable income. That amount is found to be \$2306.

Claimant's two-person FAP benefit group receives a standard deduction of \$141. RFT 255. The standard deduction is a deduction that varies based on the group size which

DHS issues to all FAP benefit groups. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. The adjusted gross income amount is found to be \$2165.

DHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 at 1. For groups without a senior, disabled or disabled veteran (SDV) member, DHS considers the following expenses: child care and excess shelter (housing and utilities) up to a capped amount and court ordered child support and arrearages paid to non-household members. DHS also considers the medical expenses for group members that are SDV; however, DHS only counts the monthly medical expenses which exceed \$35/month.

It was uncertain whether Claimant's spouse paid \$96/month for a Medicare premium. For purposes of this decision, it will be assumed that Claimant's spouse is responsible for the Medicare premium solely to determine if including the expense would make any difference in Claimant's FAP benefit issuance. Applying the \$35/month copayment to the medical expense results in \$61/month in countable medical expenses.

It was not disputed that Claimant is responsible for a \$456 (dropping cents) per month mortgage obligation. DHS gives a flat utility standard to all clients. BPB 2010-008. The utility standard of \$588 (see RFT 255) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$588 amount. The total shelter obligation is calculated by adding Claimant's housing expenses to the utility expenses (\$588); this amount is found to be \$1044.

DHS only credits FAP benefit groups with what DHS calls an "excess shelter" expense. This expense is calculated by taking Claimant's total shelter expenses (\$1044) and subtracting half of Claimant's adjusted gross income minus countable medical expenses (\$61). Claimant's excess shelter amount is found to be \$0.

Claimant's net income is determined by taking Claimant's adjusted gross income (\$2165) and subtracting the excess shelter expense (\$0). Claimant's net income is found to be \$2165. A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Claimant's FAP benefit group size and net income, Claimant's FAP benefit amount is found to be \$16, the same amount calculated by DHS. It is found that DHS properly calculated Claimant's FAP benefits.

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 Reference Tables Manual (RFT).

MA provides medical assistance to individuals and families who meet financial and nonfinancial eligibility factors. The goal of the MA program is to ensure that essential health care services are made available to those who otherwise would not have financial resources to purchase them.

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 at 1. To receive MA under an SSI-related category, the person must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* AMP is an MA program available to persons not eligible for Medicaid through the SSI-related or FIP-related categories.

It was not disputed that Claimant does not meet any of the FIP-related or SSI-related MA categories. Accordingly, Claimant can only be eligible for AMP benefits.

Income eligibility exists for AMP when the program group's net income does not exceed the program group's AMP income limit. BEM 640 at 3. The AMP net income limit for an individual and spouse is \$425/month. RFT 236 at 1. Claimant's and his spouse's net income far exceed the AMP income limits. It is found that DHS properly denied Claimant's eligibility for AMP based on excess income.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's FAP benefits as \$16/month and properly denied Claimant's application for MA benefits. The actions taken by DHS are AFFIRMED.



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

Date Signed: 1/31/2011

Date Mailed: 1/31/2011

201112446/CG

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 date of the rehearing decision.

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