

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

IN THE MATTER OF:

[REDACTED] Case  
[REDACTED] Hearing  
[REDACTED] June

Reg No: 2011-29509  
Issue No: 3015  
No: [REDACTED]  
Date: [REDACTED]  
15, 2011  
SSPC East

**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 claimant's request for a hearing. After due notice, a telephone hearing was held on June 15, 2011. The Claimant appeared and testified at the hearing. [REDACTED] Assistance Payments Supervisor appeared on behalf of the Department.

**ISSUE**

Was the Department correct in determining Claimant's FAP 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 applied for FAP benefits online on January 20, 2011.
- (2) On January 31, 2011 Claimant's FAP application was denied due to excess income.
- (3) Claimant receives \$2022.50 in social security benefits.
- (4) Claimant receives \$1400 in pension income.
- (5) Claimant's 2 children have \$1010 unearned income.

- (6) The Department determined that Claimant had medical expenses of \$235.
- (7) Claimant testified that she has transportation expenses related to obtaining medical treatment, non-overdue medical expenses that she made payment arrangements for and other qualified medical expenses that were not considered in determining her FAP eligibility.
- (8) Claimant requested a hearing on April 8, 2011 contesting the denial 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").

### **MEDICAL EXPENSES**

#### **Application and Redetermination**

Consider **only** the medical expenses of SDV persons in the eligible group or SDV persons disqualified for certain reasons; see Expenses for Disqualified or Ineligible Persons in this item. Estimate an SDV person's medical expenses for the benefit period. Base the estimate on all of the following:

- Verified allowable medical expenses.
- Available information about the SDV member's medical condition and health insurance.
- Changes that can reasonably be anticipated to occur during the benefit period.

#### **Allowable Medical Expenses**

Allowable medical expenses are limited to the following:

- Medical and dental care including psychotherapy and rehabilitation services provided by a licensed practitioner authorized by State law or other qualified health professional.

- Hospitalization or nursing care. Include these expenses for a person who was a group member immediately prior to entering a hospital or nursing home.
- Prescription drugs and the postage for mail-ordered prescriptions.
- Costs of medical supplies, sick room equipment (including rental) or other prescribed medical equipment (excluding the cost for special diets).
- Over-the-counter medication (including insulin) and other health-related supplies (bandages, sterile gauze, incontinence pads, etc.) when recommended by a licensed health professional.
- Premiums for health and hospitalization policies (excluding the cost of income maintenance type health policies and accident policies, also known as assurances). If the policy covers more than one person, allow a prorated amount for the SDV person(s).
- Medicare premiums.
- Dentures, hearing aids and prosthetics including the cost of securing and maintaining a seeing eye or hearing dog or other assistance animal. (Animal food and veterinary expenses are included.)
- Eyeglasses when prescribed by an ophthalmologist (physician-eye specialist) or optometrist.
- Actual costs of transportation and lodging necessary to secure medical treatment or services. If actual costs **cannot** be determined for transportation, allow the cents-per-mile amount at the standard mileage rate for a privately owned vehicle in lieu of an available state vehicle. To find the cents-per-mile amount go to the Michigan Department of Management and Budget at [www.michigan.gov/dmb](http://www.michigan.gov/dmb), select Services & Facilities from the left navigation menu, then select Travel. On the travel page, choose Travel Rates and High Cost Cities using the rate for the current year.
- The cost of employing an attendant, homemaker, home health aide, housekeeper, home help provider, or child care provider due to age, infirmity or illness. This cost must include an amount equal to the maximum FAP benefits for one person if the FAP group provides the majority of the attendant's meals. If this attendant care cost could qualify as both a medical expense and a dependent care expense, it **must** be treated as a medical expense.
- A Medicaid deductible is allowed if the following are true.
  - The medical expenses used to meet the Medicaid deductible are allowable FAP expenses.

- The medical expenses are not overdue. See below.

### **Estimating and Determining an Allowable Medical Expense**

Estimate an SDV person's medical expenses for the benefit period. The expense does **not** have to be paid to be allowed. Allow medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. Allow **only** the non reimbursable portion of a medical expense. The medical bill cannot be overdue.

The medical bill is **not** overdue if one of the following conditions exists:

- Currently incurred (for example, in the same month, ongoing, etc.).
  - Currently billed (client is receiving the bill for the first time for a medical expense provided earlier and the bill is not overdue).
  - Client made a payment arrangement before the medical bill became overdue.
- BEM 554

In the present case, the Department failed to allow or consider several medical expenses that are allowable pursuant to Department policy and that could potentially make Claimant eligible for FAP, including but not limited to medical transportation costs and medical bills where Claimant made a payment arrangement before the medical bill became overdue. BEM 554 Therefore the denial of Claimant's FAP application was improper and incorrect. The Department should request verifications from Claimant regarding any and all qualified medical expenses and reprocess for potential eligibility.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that the Department improperly denied the Claimant's FAP application, and it is ORDERED that the Department's decision in this regard be and is hereby REVERSED. Claimant's FAP application shall be reinstated and reprocessed going back to the date of application taking into consideration all qualified medical expenses verified by the Claimant.

Aaron  
Administrative  
for  
Department

  
\_\_\_\_\_  
McClintic  
Law Judge  
Maura Corrigan, Director  
of Human Services

Date Signed: June 22, 2011

Date Mailed: June 22, 2011

**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.

AM/ctl

cc:

[REDACTED]  
Oakland County DHS (02)/1843

A. [REDACTED] McClintic  
Administrative Hearings