

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 2011-30250  
Issue Nos: 1000, 2019, 3000  
Case No.: [REDACTED]  
Hearing Date: May 18, 2011  
DHS County: Macomb (50-20)

**ADMINISTRATIVE LAW JUDGE:** Jan Leventer

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to Michigan Compiled Laws (MCL) 400.9 and 400.37 and Claimant [REDACTED] request for a hearing. After due notice, a telephone hearing was held on May 18, 2011. Claimant appeared and testified. [REDACTED], appeared and testified on behalf of the Department of Human Services (DHS).

**ISSUE**

Whether DHS calculated Claimant's Family Independence Program (FIP), Food Assistance Program (FAP), and Medical Assistance (MA or Medicaid) Patient Pay Amount (PPA, spend-down, or deductible) in accordance with DHS policy and procedure?

**FINDINGS OF FACT**

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

1. Claimant is a single individual living in [REDACTED].
2. Before March 1, 2011, DHS provided Claimant with FIP, FAP and MA benefits.
3. Beginning March 1, 2011, Claimant receives \$1,438.00 monthly Retirement, Survivors and Disability Insurance (RSDI) benefits from the U.S. Social Security Administration.

4. On April 5, 2011, DHS issued a Notice of Case Action terminating Claimant's FIP benefits, reducing Claimant's FAP benefits to \$16 per month, and adding a required PPA of \$1,010 to Claimant's MA benefits.
5. On April 15, 2011, Claimant filed a Request for a Hearing with DHS.
6. At the Administrative Hearing on May 18, 2011, Claimant testified that she agreed with the changes to her FIP and FAP benefits and no longer wished to dispute them.

### **CONCLUSIONS OF LAW**

FIP was established by the U.S. Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, 8 United States Code 601 *et seq.* DHS administers FIP pursuant to MCL 400.10 *et seq.* and Michigan Administrative Code Rules (MACR) 400.3101-400.3131. DHS' policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables (RFT). These manuals are available online at [www.michigan.gov/dhs-manuals](http://www.michigan.gov/dhs-manuals).

FAP was established by the U.S. Food Stamp Act of 1977 and is implemented by Federal regulations contained in Title 7 of the Code of Federal Regulations. DHS administers FAP pursuant to MCL 400.10 *et seq.* and MACR 400.3001-400.3015. DHS' policies are found in BAM, BEM and RFT. *Id.*

MA was established by Title XIX of the U.S. Social Security Act and is implemented in the Code of Federal Regulations Title 42. DHS administers the MA program pursuant to MCL 400.10 *et seq.* and MCL 400.105. DHS' policies are found in BAM, BEM and RFT. *Id.*

BAM, BEM and RFT are the administrative manuals containing the policies and procedures DHS officially created for its own use. While the manuals are not laws created by the U.S. Congress or the Michigan Legislature, they constitute legal authority which DHS must follow. It is to the manuals that I look now in order to see what policy applies in this case. After setting forth what the applicable policies are, I will examine whether they were in fact followed in this case.

The first Item applicable in this case is BEM 541, "MA Income Deductions – SSI-Related Adults." This section gives a \$20 unearned income deductible to the Claimant and reduces his countable income for purposes of setting his PPA level. I reviewed the DHS Budget prepared in this case, and I find and conclude that DHS properly included the \$20 unearned income deductible in calculating Claimant's MA benefits and her PPA.

I turn next to BEM 544, "MA Needs – Group 2." This Item provides a deduction for living expenses (Protected Income Level) from the client's gross income. BEM 544 provides the instructions for calculating the claimant's Protected Income Level, and identifies two charts in the Reference Tables with the information that is necessary to make the calculation.

Going to the RFT, I first determine from RFT 200, "MA Shelter Areas," that as Claimant lives in [REDACTED], she falls within [REDACTED]. Then, taking this information over to RFT 240, "MA Monthly Protected Income Levels," on this chart I find that [REDACTED] Claimants with a family group of one person are entitled to a Protected Income Level of \$408. Returning now to the Budget DHS prepared for Claimant, I find and determine that DHS provided Claimant with the \$408 Protected Income Level deduction as required by law.

In conclusion, based on the findings of fact and conclusions of law above, I find and determine that DHS used the proper income numbers, deductions and formulas, and arrived at the correct PPA in Claimant's case. I find that DHS acted correctly in this case and DHS is AFFIRMED. I find and conclude that it is not necessary for DHS to take any further action in this case.

**DECISION AND ORDER**

Based on my findings of fact and conclusions of law above, I find and determine that DHS is AFFIRMED in this matter. IT IS ORDERED that DHS need take no further action in this case.



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Jan Leventer  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: May 19, 2011

Date Mailed: May 19, 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 90 days of the filing of the original request.

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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.

JL/pf

cc:

