

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No. 201132380  
Issue No. 3002 2026  
Case No. [REDACTED]  
Hearing Date: June 1, 2011  
Wayne County DHS (55)

**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 June 1, 2011. The claimant appeared and testified. On behalf of Department of Human Services (DHS), [REDACTED], Special Agent, appeared and testified.

**ISSUES**

1. Whether DHS properly determined Claimant's Food Assistance Program (FAP) benefit eligibility effective 4/2011
2. Whether DHS properly determined Claimant's Medical Assistance (MA) benefit eligibility effective 4/2011.

**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 and MA benefit recipient.
2. Claimant was part of a FAP and MA benefit group that included Claimant and his spouse and three minor children
3. As of 6/6/11, Claimant's unemployment compensation (UC) income stopped as of 3/30/11
4. As of 6/6/11, Claimant's spouse's unemployment compensation (UC) income stopped as of 4/12/11 ([REDACTED] received).

5. Despite the stoppage, DHS continued to budget UC income for Claimant (\$ [REDACTED] in 4/2011 and [REDACTED] in 5/2011) and UC income for Claimant's spouse (\$ [REDACTED] in 4/2011 and \$ [REDACTED] in 5/2011).
6. For the 5/2011 FAP benefit determination, DHS budgeted [REDACTED] in UC income even though \$0 was received by Claimant and his spouse.
7. DHS also budgeted [REDACTED] in employment income for Claimant's spouse based on a weekly check of \$117 received by Claimant's spouse.
8. On an unspecified date, DHS determined Claimant was ineligible for FAP benefits for 5/2011 due to excess income.
9. On an unspecified date, DHS determined Claimant and his spouse eligible for some unknown MA benefit based on the inclusion of UC income.
10. On 5/9/11, Claimant requested a hearing disputing the FAP and MA benefit determination made by DHS effective 5/2011.

### **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 (formerly known as the Family Independence Agency) 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 undersigned will refer to the DHS regulations in effect as of 3/2011, 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/>.

The present case involved a dispute of Claimant's FAP and MA benefit determinations effective 5/2011. It is known that DHS determined Claimant to be ineligible for FAP effective 5/2011. It was thought during the hearing that Claimant's MA benefits were reduced in 5/2011 but DHS provided documentation following the hearing which hinted that MA benefits stopped in 3/2011 due to a failure to meet a deductible for three months. The analysis will first begin with the FAP benefit determination.

DHS provided UC inquiries following the hearing. The UC inquiries verified that Claimant and his spouse received no UC income in 5/2011. DHS determined Claimant's 5/2011 FAP benefits based on a [REDACTED] unearned income amount, described by DHS as UC income. It is found that DHS erred in determining Claimant's 5/2011 FAP benefits by counting UC income that Claimant and his spouse did not receive.

The undersigned also considered Claimant's spouse's employment income as calculated by DHS ([REDACTED]), Claimant's housing obligation ([REDACTED]) and the utility credit ([REDACTED]) which all appear to be correct. Thus, Claimant is entitled to a redetermination of FAP benefits for 5/2011 based on the inclusion of UC income which neither Claimant nor his spouse received.

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). DHS 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.

During the hearing, it was believed that DHS took some adverse action to Claimant's MA benefits in 5/2011 that had to do with UC income. After the hearing, DHS provided documentation which reflected MA benefit closure in 3/2011 based on an ongoing deductible not being met for three months.

DHS is to redetermine eligibility for active deductible cases at least every 12 months unless the group has not met its deductible within the past three months. BEM 545 at 9. If a group has not met its deductible in at least one of the three calendar months before that month and none of the members are QMB, SLM or ALM (Medicare Savings Programs which allow clients to have Medicare premiums paid by DHS) eligible, Bridges (the DHS database) will automatically notify the group of closure. *Id.*

Though DHS should have alerted Claimant and the undersigned to the correct reason for Claimant's MA benefit closure prior to the end of the hearing, the undersigned is inclined to uphold the MA benefit termination. The evidence indicated that Claimant would have received notice of the MA benefit termination prior to 5/9/11 and that he failed to object to the termination. The three months where Claimant did not apparently meet his deductible would have been 12/2010-2/2011, long before Claimant requested a hearing in the present case. There was no assertion by Claimant that DHS failed to process submitted medical expenses by Claimant. It is found that DHS properly

201132380/CG

terminated Claimant's MA benefits due to a failure by Claimant to meet his deductible for three months.

Claimant has a simple remedy to the MA benefit termination, and that is to reapply for MA benefits. Claimant may seek three full months back of retroactive MA benefits if he has unpaid expenses. Thus, if Claimant re-applies immediately, he can receive MA benefits back to the date of MA benefit termination (3/2011)

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's MA benefits effective 2/28/11 due to Claimant's failure to meet a deductible for three months. The actions taken by DHS are PARTIALLY AFFIRMED.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS improperly terminated Claimant's FAP benefits effective 5/2011 based on an improperly inclusion of OC income. It is ordered that DHS:

- reinstate Claimant's FAP benefits effective 5/2011;
- determine Claimant's FAP benefit eligibility based on Claimant's and his spouse's actual UC income received for 5/2011;
- supplement Claimant for any benefits not received as a result of the DHS error in budgeting Claimant's UC income.
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The actions taken by DHS are PARTIALLY REVERSED.



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

Date Signed: June 14, 2011

Date Mailed: June 14, 2011

201132380/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 of the rehearing decision.

CG/ctl

cc:

[REDACTED]  
Wayne County DHS (55)/1843

[REDACTED]  
Christian Gardocki  
Administrative Hearings