

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

**IN THE MATTER OF:**



Reg. No.: 201259197  
Issue No.: 3002; 2026  
Case No.: [REDACTED]  
Hearing Date: July 19, 2012  
County: Wayne 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 following Claimant's request for a hearing. After due notice, a telephone hearing was held on July 19, 2012 from Detroit, Michigan. Participants included the above named claimant. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly determined Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefit eligibility.

**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 receives gross unemployment compensation (UC benefits of \$700/two weeks).
3. On 5/31/12, DHS determined that Claimant was eligible for \$533/month in FAP benefits effective 6/2012.
4. On 5/31/12, DHS determined that Claimant and his spouse were eligible for Medicaid subject to a \$287/month deductible.

5. On 6/11/12, Claimant requested a hearing to dispute the FAP and MA benefit determinations.

### **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).

Claimant's first dispute involved his FAP benefit eligibility effective 6/2012. Claimant's primary complaint was that he failed to understand how his FAP benefit eligibility could be reduced from a prior month when there was no apparent change in his circumstances. Though it is understandable why Claimant would be puzzled by a change in FAP benefit eligibility from a prior month, his concerns are irrelevant to whether DHS correctly determined FAP benefit eligibility starting with the application dated 2/27/12. BEM 556 outlines the proper procedures and considerations for calculating FAP benefit eligibility.

For UC benefits DHS is to count the gross amount as unearned income unless the benefits are reduced due to earnings or recoupment. BEM 503 at 26. DHS determined Claimant's FAP benefit eligibility effective 6/2012 based on a biweekly income of \$700/two weeks in gross UC benefits. The DHS determination relied on a 5/16/12 dated report. The report is based on a database link with the Michigan Unemployment Agency. The report verified that Claimant received \$700 in gross UC benefits on 4/3/12, 4/16/12 and 4/30/12. The DHS evidence was very persuasive support that DHS properly determined Claimant's monthly income.

Claimant stated that he had a bank statement which verified his biweekly income to be approximately \$600. Claimant's bank statement was not found to be persuasive evidence of Claimant's UC gross income. A bank statement can only verify net income payments. If MUA reduces Claimant's UC payments for taxes, a bank deposit is of little probative value in determining gross income. It is found that DHS properly determined Claimant's income in determining Claimant's FAP benefit eligibility.

Another issue that was in dispute concerned group composition. Claimant contended that he was part of a six member household which included his mother. DHS determined Claimant's FAP benefit eligibility based on a group of five persons. DHS indicated that Claimant's mother was excluded because she had not been in the United States for five years and was not otherwise eligible as a group member (see BEM 225). Claimant testified that he thought his mother had been in the United States since 2007 but that he was unsure of the date of U.S. entry. No evidence was presented to justify a

change in the status quo. Claimant was advised to verify his mother's date of entry with DHS if she has been in the United States for five years for future consideration in FAP benefit eligibility.

Other FAP benefit factors (expenses for child support, day care, standard and rent) were confirmed as correctly factored by DHS. Accordingly, it is found that DHS determined Claimant's eligibility for FAP benefits effective 6/2012.

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.

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.*

Clients may qualify under more than one MA category. Federal law gives them the right to the most beneficial category. The most beneficial category is the one that results in eligibility or the least amount of excess income. BEM 105 at 2. Claimant has not been found to be disabled by DHS or the Social Security Administration; thus, Claimant is not eligible for MA benefits through an SSI-related program. Claimant is a caretaker to minor children. As a caretaker, Claimant may qualify for MA benefits through Low-Income Family (LIF) or Group 2 Caretaker (G2C) MA.

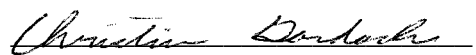
It has already been determined that Claimant received gross UC income of \$700/two weeks. For MA benefits, biweekly income is doubled for conversion to a monthly income. Claimant's income for purposes of MA benefits is \$1400/month. The LIF income limit for a five-person LIF group (Claimant, his spouse and three minor children) is \$732/month. It is found that DHS properly found Claimant ineligible for MA through LIF.

As a caretaker to minor children, Claimant could also receive Medicaid through G2C. Income calculations for all Group 2 MA categories are located within BEM 536. The net income calculation starts with Claimant's gross monthly income which is \$1400. This figure is divided by the sum of 2.9 and Claimant's number of dependents (four based on

Claimant's minor children and spouse). Dividing \$1400 by 6.9 creates a prorated share of income of \$202. That number is multiplied by 2.9 and added to the spouse's prorated share of income (\$202) to create Claimant's monthly net income of \$787. Claimant has no eligible MA expenses such as insurance premiums, remedial services or ongoing medical expenses. The income limit for G2C eligibility for a two-person group (Claimant and his spouse) is \$500. RFT 240. The amount that Claimant's total net income exceeds the income limit is the amount of Claimant's deductible. It is found that DHS properly calculated Claimant's and his spouse's G2C eligibility as Medicaid subject to a \$287/month deductible.

### **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 benefit eligibility effective 6/2012 as \$533/month. It is also found that DHS correctly determined Claimant's and his spouse's MA benefit eligibility effective 7/2012 as Medicaid subject to a \$287/month deductible. The actions taken by DHS are AFFIRMED.



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

Date Signed: July 27, 2012

Date Mailed: July 27, 2012

**NOTICE:** Michigan Administrative Hearing System (MAHS) 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. MAHS 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. (60 days for FAP cases)

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.

Claimant may request a rehearing or reconsideration for the following reasons:

- A rehearing **MAY** be granted if there is newly discovered evidence that could affect the outcome of the original hearing decision.
- A reconsideration **MAY** be granted for any of the following reasons:
  - misapplication of manual policy or law in the hearing decision,
  - typographical errors, mathematical error, or other obvious errors in the hearing decision that effect the substantial rights of the claimant:
  - the failure of the ALJ to address other relevant issues in the hearing decision.

201259197/ CG

Request must be submitted through the local DHS office or directly to MAHS by mail at  
Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P. O. Box 30639  
Lansing, Michigan 48909-07322

CG/hw

cc:

