

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

IN THE MATTER OF:

[REDACTED]

Reg. No.: 201273547
Issue No.: 3003
Case No.: [REDACTED]
Hearing Date: October 3, 2012
County: Emmet County DHS

ADMINISTRATIVE LAW JUDGE: C. Adam Purnell

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 October 3, 2012, from Lansing, Michigan. Claimant personally appeared and provided testimony. Participants on behalf of Department of Human Services (Department) included [REDACTED] (Eligibility Specialist), [REDACTED] (Assistance Payments Supervisor), [REDACTED] (Family Independence Manager).

ISSUE

Did the Department properly determine Claimant's Food Assistance Program (FAP) monthly allotment amount?

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 is an S/D/V.
2. Claimant was active for FAP at all times.
3. Claimant had overdue medical bills which gave rise to a collection action against him.
4. To satisfy his outstanding debt, Claimant entered into an agreement with his medical providers to pay \$80.00 per month.

5. On January 30, 2012, Claimant provided the Department with a Change Report (DHS-2240) which indicated that he incurred an \$80 monthly expense related to past medical bills.
6. The Department refused to accept Claimant's monthly \$80 payment as an expense when it calculated his monthly FAP allotment.
7. On August 31, 2012, Claimant requested a hearing because the Department would not include the \$80 monthly payment as an allowable expense when it determined his FAP allotment.

CONCLUSIONS OF LAW

Department policies are contained in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), and the Reference Tables Manual (RFT). These policies confer upon the client the right to request a hearing for any action, failure to act or undue delay by the Department. BAM 105. The Department provides an administrative hearing to review the decision and determine its appropriateness. BAM 600.

The regulations that govern the hearing and appeal process for applicants and recipients of public assistance in Michigan are contained in the Michigan Administrative Code (Mich Admin Code) Rules 400.901 through 400.951. An opportunity for a hearing shall be granted to a recipient who is aggrieved by an agency action resulting in suspension, reduction, discontinuance, or termination of assistance. Mich Admin Code 400.903(1).

The Food Assistance Program (FAP) [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 (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, *et seq.*, and Mich Admin Code, R 400.3001 through R 400.3015.

For purposes of FAP, an expense is allowed if all of the following are present: (1) the service is provided by someone outside of the FAP group; (2) someone in the FAP group has the responsibility to pay¹ for the service in money; (3) verification is provided, if required. BEM 554.

BEM 554 governs how the Department estimates and determines an allowable medical expense. The Department will estimate an SDV person's medical expenses for the benefit period. BEM 554. The expense does **not** have to be paid to be allowed. BEM 554. The Department will allow medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. BEM 554. The

¹ "Responsibility to pay" means that the expense is in the name of a person in the FAP group. BEM 554.

Department will allow **only** the non reimbursable portion of a medical expense. BEM 554. The medical bill cannot be overdue. BEM 554. The medical bill is **not** overdue if one of the following conditions exists: (1) currently incurred (for example, in the same month, ongoing, etc.); (2) currently billed (client is receiving the bill for the first time for a medical expense provided earlier and the bill is not overdue); and (3) the client made a payment arrangement before the medical bill became overdue. BEM 554.

Here, Claimant's monthly \$80.00 expense was the product of a collection action. It was not a current bill for medical services provided. Rather, Claimant's medical bills were overdue and the \$80.00 monthly payment was the payment arrangement **after** the medical bills became overdue.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, finds that the Department did act properly when it refused to include Claimant's \$80 monthly payment as an allowable expense for purposes of FAP.

Accordingly, the Department's FAP decision is **AFFIRMED** for the reasons stated on the record.

IT IS SO ORDERED.

/s/ _____
C. Adam Purnell
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: October 9, 2012

Date Mailed: October 9, 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.

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

CAP/cr

cc:

