

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No: 201246968  
Issue No: 2026, 3002  
Case No: [REDACTED]  
Hearing Date: June 21, 2012  
Van Buren County DHS

**ADMINISTRATIVE LAW JUDGE:** Kevin Scully

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge by authority of MCL 400.9 and MCL 400.37. Claimant's request for a hearing was received on April 12, 2012. After due notice, a telephone hearing was held on Thursday, June 21, 2012.

**ISSUE**

Whether the Department of Human Services (Department) properly determined the Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) eligibility?

**FINDINGS OF FACT**

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

1. The Claimant is an ongoing Food Assistance Program (FAP) and Medical Assistance (MA) recipient.
2. The Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED].
3. Two members of the Claimant's benefit group (B.P. and L.B.) each receive monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED].
4. A member of the Claimant's benefit group (M.B.) receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED].
5. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED].
6. The Claimant has a monthly shelter expense of [REDACTED].

7. The Claimant has a monthly child support expense of [REDACTED].
8. The Department determined that the Claimant was eligible for Food Assistance Program (FAP) benefits in the monthly amount of [REDACTED] for April of 2012.
9. The Department determined that the Claimant was eligible for Medical Assistance (MA) with a patient deductible of [REDACTED] in April of 2012.
10. The Department received the Claimant's request for a hearing on April 12, 2012, protesting the Department's determination of her Food Assistance Program (FAP) allotment and Medical Assistance (MA) patient deductible.

### **CONCLUSIONS OF LAW**

The Food Assistance Program (FAP) (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). The Department of Human Services (DHS or Department), administers the FAP program pursuant to MCL 400.10, et seq., and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

All earned and unearned income available to the Claimant is countable. Earned income means income received from another person or organization or from self-employment for duties for duties that were performed for compensation or profit. Unearned income means all income that is not earned, including but not limited to funds received from the Family Independence Program (FIP), State Disability Assistance (SDA), Child Development and Care (CDC), Medicaid (MA), Social Security Benefits (RSDI/SSI), Veterans Administration (VA), Unemployment Compensation Benefits (UCB), Adult Medical Program (AMA), alimony, and child support payments. The amount counted may be more than the client actually receives because the gross amount is used prior to any deductions. BEM 500.

The Claimant is an ongoing Food Assistance Program (FAP) recipient. The Department received the Claimant's request for a hearing on April 12, 2012, protesting the Department's determination of her Food Assistance Program (FAP) allotment and Medical Assistance (MA) patient deductible. The Claimant did not present evidence that showing that a specific benefits calculation performed by the Department was incorrect or based on improper information, but requested that the Department justify its actions. The Department requested that the Claimant's hearing request be dismissed and argued that the Claimant had failed to present an issue within the jurisdiction of the Michigan Administrative Hearings System (MAHS).

Clients have the right to contest a department decision affecting eligibility or benefit levels whenever it is believed that the decision is incorrect. BAM 600. The department will provide an administrative hearing to review the decision and determine the

appropriateness. BAM 600. The State Office of Administrative Hearings and Rules ("SOAHR") may grant a hearing for any of the following:

- Denial of an application and/or supplemental payments
- Reduction in the amount of program benefits or service
- Suspension or termination of program benefits or service
- Restrictions under which benefits or services are provided
- Delay of any action beyond the standard of promptness
- For FAP only, the current level of benefits or denial of expedited service

BAM Item 600, page 1. Additionally, for MA purposes, SOAHR may grant a hearing on other issues not applicable here, such as community spouse income, allowance, asset assessment, etc.

This Administrative Law Judge finds that the Claimant has the right to challenge the determination of his monthly Food Assistance Program (FAP) allotment and the determination of his Medical Assistance (MA) patient deductible.

Based on the evidence and testimony available during the hearing, the Department has established that the Claimant receives monthly Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]. Two members of the Claimant's benefit group (B.P. and L.B.) each receive Retirement, Survivors, and Disability Insurance (RSDI) in the gross monthly amount of [REDACTED]. Another member of the Claimant's benefit group (M.B.) receives monthly unemployment compensation benefits in the gross monthly amount of [REDACTED]. The Claimant receives monthly earned income in the gross monthly amount of [REDACTED]. The Claimant has monthly shelter expense of [REDACTED], and monthly child support expenses of [REDACTED].

The Claimant's total countable monthly income is [REDACTED]. This amount is reduced by an 20% earned income credit, a [REDACTED] standard deduction for a group of four, and the Claimant's child support expense of [REDACTED], leaving an adjusted gross income of [REDACTED]. The Claimant's excess shelter amount of [REDACTED] was determined by adding the monthly shelter expense of [REDACTED] to the [REDACTED] standard heat and utility standard under the Low Income Home Energy Assistance Program (LIHEAP), and subtracting 50% of the adjusted gross income. The Claimant's net income of [REDACTED] was determined by subtracting the excess shelter amount from the adjusted gross income.

A Food Assistance Program (FAP) recipient with a group size of four and a net income of [REDACTED] is entitled to a FAP allotment of [REDACTED], which is the amount of FAP benefits granted to the Claimant for this period. RFT 260. I find that the Department has established that it acted in accordance with policy determining Claimant's FAP allotment.

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). The Department of Human Services (DHS or Department) 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), Reference Table Manual (RFT), and the Bridges Reference Manual (BRM).

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). BEM 105.

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, or
- Allowable medical expenses equal or exceed the excess income. BEM 545.

Net income (countable income minus allowable income deductions) must be at or below a certain income limit for eligibility to exist. BEM 105. Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medical Assistance group (Group 2 MA) has income the same as or less than the "protected income level" as set forth in the policy contained in the Program Reference Table (RFT). An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However, a MA group may become eligible for assistance under the deductible program. The deductible program is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

A review of claimant's case reveals that the Department budgeted correct amount of income received by the Claimant. Claimant's "protected income level" is [REDACTED], and this amount cannot be changed either by the Department or by this Administrative Law Judge. Department's determination that the Claimant has a [REDACTED] deductible per month she must meet in order to qualify for MA for any medical expenses above is therefore correct.

The Department has established that it properly determined that the Claimant's Medical Assistance (MA) deductible.

**DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, decides that the Department acted in accordance with policy in determining the Claimant's Food Assistance Program (FAP) monthly allotment, and properly determined the Claimant's Medical Assistance (MA) patient deductible.

The Department's Food Assistance Program (FAP) and Medical Assistance (MA) eligibility determinations are **AFFIRMED**. It is SO ORDERED.

/s/  
Kevin Scully  
Administrative Law Judge  
for Maura D. Corrigan, Director  
Department of Human Services

Date Signed: June 28, 2012

Date Mailed: June 28, 2012

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.

KS/tb

cc:

