

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 201344919  
Issue No.: 3003  
Case No.: [REDACTED]  
Hearing Date: May 30, 2013  
County: Oakland DHS (02)

**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 May 30, 2013, from Detroit, Michigan. Participants included the above-named Claimant, [REDACTED], Claimant's spouse, appeared and testified as Claimant's authorized hearing representative. Participants on behalf of Department of Human Services (DHS) included [REDACTED], Specialist.

**ISSUE**

The issue is whether DHS properly processed Claimant's reported medical expenses in determining Claimant's Food Assistance Program (FAP) 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 benefit recipient.
2. On 3/29/13, Claimant submitted a Change Report to DHS which listed the following medical expenses and dates of service: \$177 from 5/22/12, \$590 from 8/14/12, \$5.84 from 8/23/12 and \$122 from 11/20/2012.
3. On an unspecified date, DHS determined that Claimant's reported medical expenses were overdue and failed to factor the expenses in Claimant's FAP eligibility.
4. On 4/30/13, Claimant's AHR requested a hearing to dispute the failure by DHS to process the medical expenses reported to DHS on 3/29/13.

## 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).

Claimant's AHR requested a hearing to compel DHS to process reported medical expenses as it concerned Claimant's FAP benefit eligibility. It was not disputed that Claimant reported and verified the expenses to DHS on 3/29/13. DHS responded that the expenses were entered in the DHS database and that no change resulted to Claimant's FAP benefit eligibility, presumably, because the expenses were too old to be considered.

DHS is to estimate an SDV person's medical expenses for the benefit period. BEM 554 (10/2012), p. 9. The expense does not have to be paid to be allowed. *Id.* DHS is to allow medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. *Id.* DHS is to allow only the non-reimbursable portion of a medical expense. *Id.* The medical bill cannot be overdue. *Id.* The medical bill is not overdue if one of the following conditions exists:

- currently incurred (for example, in the same month, ongoing, etc.).
- currently billed (client is receiving the bill for the first time for a medical expense provided earlier and the bill is not overdue); or
- client made a payment arrangement before the medical bill became overdue.

*Id.*

As noted above, Claimant reported the bills to DHS on 3/29/13. Based on the dates of service (the most recent being from 11/2012), it can be concluded that the bills were not currently incurred.

The bills were submitted as part of the hearing packet, though not formally introduced as exhibits. The bills were examined during the hearing. The evidence strongly suggested that Claimant was billed for the expenses either on the date of service (or receipt of prescription), or very shortly thereafter. Thus, the bills do not appear to have been currently billed.

There is also no indication that a payment arrangement was ever required to pay any of the submitted bills. Without payment arrangements, the third option in how DHS defines "not overdue" is not applicable.

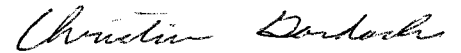
Though DHS policy does not set a specific deadline for the submission of medical expenses, the policy is strongly suggestive of requiring clients to submit proof of the

expenses quickly after they are incurred or billed. Claimant's submitted medical expenses, the most recently being incurred and billed from four months prior, are found to be overdue. Accordingly, it is found that DHS properly did not factor the expenses in Claimant's redetermination.

Consideration was given to determining whether DHS properly factored Claimant's ongoing medical expenses. The presented evidence suggested that DHS may have failed to budget \$15 in ongoing monthly prescription expenses. Ultimately, administrative review was declined. Claimant's hearing request specified a dispute concerning the failure by DHS to factor medical expenses listed on a Change Report in Claimant's future FAP benefit issuances. DHS is entitled to proper notice of administrative hearing disputes. Addressing ongoing medical expenses at the hearing without prior notice of the issue for DHS would deprive DHS of due process. Claimant is free to request a hearing to separately dispute any other alleged failures by DHS concerning medical expense budgeting.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly excluded Claimant's medical expenses reported on a Change Report dated 3/29/13 in Claimant's future FAP benefit issuances. The actions taken by DHS are AFFIRMED.



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

Date Signed: 6/10/2013

Date Mailed: 6/10/2013

**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

CG/hw

cc:

