

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 20146116  
Issue No(s): 2013, 3002  
Case No.: [REDACTED]  
Hearing Date: November 20, 2013  
County: Macomb (36)

**ADMINISTRATIVE LAW JUDGE:** Darryl T. Johnson

**HEARING DECISION**

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on November 19, 2013, from Lansing, Michigan. Participants on behalf of Claimant included Claimant, [REDACTED], and interpreter [REDACTED]. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly impose a deductible for Claimant's Medicaid (MA) benefits?

Did the Department properly reduce Claimant's Food Assistance Program (FAP) benefits?

**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 on-going recipient of MA and FAP benefits.
2. Claimant's benefits were based upon her report that she was not receiving any income.
3. The Department became aware in August 2013 that Claimant had been receiving Retirement, Survivors, Disability Insurance (RSDI) income beginning in April 2013.

4. On September 11, 2013, the Department issued a Notice of Case Action informing Claimant that she would be required to pay a monthly medical expense deductible of [REDACTED] per month, and her FAP benefits would be reduced from [REDACTED] to [REDACTED] due to her income.
5. On September 29, 2013, Claimant requested a hearing on the issues of her MA deductible and her reduction in FAP benefits.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Human Services Bridges Administrative Manual (BAM), Department of Human Services Bridges Eligibility Manual (BEM), Department of Human Services Reference Tables Manual (RFT), and Department of Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food Stamp Act of 1977, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 271.1 to 285.5. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10 and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by the Title XIX of the Social Security Act, 42 USC 1396-1396w-5, and is implemented by 42 CFR 400.200 to 1008.59. The Department of Human Services (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10 and MCL 400.105.

The Claimant's FAP and MA benefits were calculated by the Department at a time when she had no income. In April 2013 she began receiving RSDI of [REDACTED] per month; in August 2013 she reported that income to the Department. The Department then included that income in her budget. Pursuant to BEM 500, the gross amount of RSDI benefits is included in the budget as unearned income. When Claimant's RSDI income was included in the budget, the Department calculated that she would have to satisfy a [REDACTED] monthly deductible for MA benefits, and her FAP benefits were decreased from [REDACTED] monthly to [REDACTED] monthly. (Another factor that affected Claimant's MA benefits was the elimination of funding through the American Recovery and Reinvestment Act (ARRA). The ARRA had provided [REDACTED] monthly toward her FAP benefits and the entire class of FAP recipients experienced the loss of the ARRA portion of the benefit.)

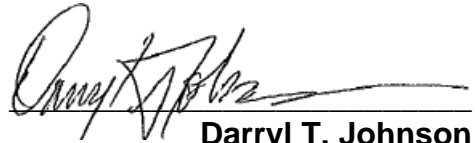
There is no evidence that the Department erred in its calculation of Claimant's FAP benefits after taking into account her increase in monthly income. Nor is there any evidence that the Department erred in its calculation of Claimant's MA Deductible.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in

accordance with Department policy when, due to the increase in Claimant's unearned income, it imposed a deductible relative to Claimant's MA benefits and decreased her FAP benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



**Darryl T. Johnson**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: November 22, 2013

Date Mailed: November 25, 2013

**NOTICE OF APPEAL:** 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 or Reconsideration was made, within 30 days of the receipt date of the Decision and Order of Reconsideration or Rehearing Decision.

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).

A Request for Rehearing or Reconsideration may be granted when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The Department, AHR or the claimant must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date the hearing decision is mailed.

The written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

20146116/DTJ

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

DTJ/aca

cc:

