

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

IN THE MATTER OF:

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██

Reg. No.: 2014-12311
Issue No(s): 2007; 3008
Case No.: ██████████
Hearing Date: December 11, 2013
County: Wayne (19)

ADMINISTRATIVE LAW JUDGE: Eric Feldman

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 December 11, 2013, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department or DHS) included ██████████ Eligibility Specialist.

ISSUES

Did the Department properly calculate Claimant's Food Assistance Program (FAP) allotment in the amount of \$16 effective November 1, 2013, ongoing?

Did the Department properly calculate Claimant's Medical Assistance (MA) deductible in the amount of \$1,008 effective November 1, 2013, ongoing?

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 ongoing recipient of FAP and MA benefits. See Exhibit 1.
2. On October 28, 2013, the Department sent Claimant a Notice of Case Action notifying him that his FAP benefits were approved for \$16 effective November 1, 2013, ongoing. See Exhibit 1.

3. On October 28, 2013, the Notice of Case Action also notified Claimant that his Group 2 Spend-Down (G2S) deductible would be \$1,008 effective November 1, 2013, ongoing. See Exhibit 1.
4. On November 8, 2013, Claimant filed a hearing request, protesting his FAP allotment and MA deductible. See Exhibit 1.

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.

FAP benefits

In this case, Claimant is an ongoing recipient of FAP benefits. See Exhibit 1. On October 28, 2013, the Department sent Claimant a Notice of Case Action notifying him that his FAP benefits were approved for \$16 effective November 1, 2013, ongoing. See Exhibit 1.

It was not disputed that the certified group size is one and that the Claimant is a senior/disabled/disabled veteran (SDV) member. The Department presented the November 2013 FAP budget for review. See Exhibit 1. The Department calculated Claimant's gross unearned income to be \$1,403. See Exhibit 1. This comprised of Claimant's Retirement, Survivors, and Disability Insurance (RSDI), which he did not dispute. See BEM 503 (July 2013), p. 28.

The Department then properly applied the \$151 standard deduction applicable to Claimant's group size of one. RFT 255 (October 2013), p. 1. This resulted in an adjusted gross income of \$1,252 (\$1,403 total income amount minus \$151 standard deduction).

Claimant, though, testified that he had medical expenses. The budget did not indicate any medical deductions for the Claimant. See Exhibit 1. Claimant testified that he had \$300 in medical device expenses, approximately \$250 in prescription expenses, and other ongoing medical bills. Claimant provided the \$300 medical expense as an exhibit. See Exhibit A. Claimant testified that other than the \$300 medical expense (which was provided at the hearing), he provided proof of the medical expenses on or around November 14, 2013. The Department acknowledged that it received the verification of medical expenses on November 14, 2013.

For groups with one or more SDV member, the Department uses medical expenses for the SDV member(s) that exceed \$35. BEM 554 (July 2013), p. 1. At application and redetermination, the Department considers only the medical expenses of SDV persons in the eligible group or SDV persons disqualified for certain reasons. BEM 554, p. 8. The Department estimates an SDV person's medical expenses for the benefit period. BEM 554, p. 8.

A list of allowable expenses is located in BEM 554. BEM 554, pp. 9-11. The Department estimates an SDV person's medical expenses for the benefit period. BEM 554, p. 11. The expense does not have to be paid to be allowed. BEM 554, p. 11. The Department allows medical expenses when verification of the portion paid, or to be paid by insurance, Medicare, Medicaid, etc. is provided. BEM 554, p. 11. The Department allows only the non reimbursable portion of a medical expense. BEM 554, p. 11. The medical bill cannot be overdue. BEM 554, p. 11. 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).
- Client made a payment arrangement before the medical bill became overdue.

BEM 554, p. 11.

Finally, the Department verifies allowable medical expenses including the amount of reimbursement, at initial application and redetermination. BEM 554, p. 11. The Department verifies reported changes in the source or amount of medical expenses if the change would result in an increase in benefits. BEM 554, p. 11.

Based on the foregoing information and evidence, the Department properly did not include any medical deductions for the November 2013 benefit month. It is agreed that Claimant did not provide the medical verifications until November 14, 2013. This date is after the November 2013 budget was calculated; therefore, it was proper for the Department to not include a medical deduction for the November 2013 benefit month. See BEM 554, pp. 8-10. Moreover, this is a subsequent action that happened after Claimant's hearing request, which this hearing decision will not address. Therefore, the Department properly did not include a medical deduction for the Claimant's November 2013 benefit month.

Additionally, Claimant is a SDV member, thus he is also eligible for shelter expenses above the standard amount. BEM 554, p. 1; See RFT 255, p. 1.

The Department provided Claimant's shelter budget for review. See Exhibit 1. The shelter budget indicated that Claimant's monthly housing expense is \$750, which Claimant did not dispute. See Exhibit 1. The Department then gives a flat utility standard to all clients responsible for utility bills. BEM 554, pp. 12-13. The utility standard of \$553 encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$553 amount. RFT 255, p. 1.

Furthermore, the total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit; this amount is found to be \$1,303. Then, the Department subtracts the total shelter amount from fifty percent of the adjusted gross income (\$626); this amount is found to be \$677. Thus, the Department properly calculated Claimant's excess shelter deduction of \$677.

Finally, Claimant's net income is determined by taking the adjusted gross income and subtracting the excess shelter deduction. The FAP net income is found to be \$575 (\$1,252 adjusted gross income, less the \$677 in shelter expenses). A chart listed in RFT 260 is used to determine the proper FAP benefit issuance. Based on Claimant's group size and net income, Claimant's proper FAP benefit issuance is found to be \$16, the same amount calculated by the Department. RFT 260 (November 2013), p. 6. Thus, the Department properly calculated Claimant's FAP budget in accordance with department policy for the effective benefit period of November 1, 2013, ongoing.

MA deductible

Claimant is also an ongoing recipient of MA benefits. See Exhibit 1. On October 28, 2013, the Notice of Case Action also notified Claimant that his G2S deductible would be \$1,008 effective November 1, 2013, ongoing. See Exhibit 1.

It was not disputed that Claimant was disabled and/or an aged individual. As a disabled person, Claimant received G2S MA coverage due to Claimant receiving RSDI payments.

G2S is an SSI-related category Group 2 MA category. BEM 166 (July 2013), p. 1. BEM 166 outlines the proper procedures for determining G2S eligibility. BEM 166, pp. 1-3.

Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 105 (July 2013), p. 1; BEM 166, pp. 1-3; BEM 544 (July 2013), p. 1; RFT 240 (July 2007), p. 1. The monthly PIL for an MA group size of one living in Wayne County is

\$375 per month. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Moreover, an individual whose monthly income is in excess of \$375 may become eligible for assistance under the deductible program, with the deductible being equal to the amount that the group's monthly income exceeds the PIL. BEM 545 (July 2013), pp. 1 and 10.


In this case, the Department counts the gross benefit amount of RSDI as unearned income. BEM 503, p. 28. It was not disputed that Claimant's gross RSDI unearned income was \$1,403 per month. The Department properly subtracted the \$20 disregard to establish Claimant's total net income for MA purposes at \$1,383. BEM 541 (July 2013), p. 3. Then, Claimant's net income of \$1,383 for MA purposes exceeds the monthly protected income level of \$375 by \$1,008. Thus, the Department determined that Claimant would receive MA coverage once he incurs medical expenses in excess of \$1,008 during the month.

Based on the foregoing information, the Department properly calculated Claimant's G2S MA deductible in the amount of \$1,008 for the effective benefit period of November 1, 2013, ongoing.

DECISION AND ORDER

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 it (i) properly calculated Claimant's FAP budget in the amount of \$16 effective November 1, 2013, ongoing; and (ii) properly calculated Claimant's MA deductible in the amount of \$1,008 for the effective benefit period of November 1, 2013, ongoing.

Accordingly, the Department's FAP and MA decision is AFFIRMED.



Eric Feldman
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: December 13, 2013

Date Mailed: December 13, 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

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

EJF/cl

cc:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]