

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

**IN THE MATTER OF:**



Reg. No.: 2014-13475  
Issue No(s): 2001, 3001  
Case No.: [REDACTED]  
Hearing Date: December 19, 2013  
County: Macomb County DHS #20

**ADMINISTRATIVE LAW JUDGE:** Colleen Lack

**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 19, 2013, from Lansing, Michigan. Participants on behalf of Claimant included [REDACTED] [REDACTED] the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED] [REDACTED] Eligibility Specialist.

**ISSUE**

Did the Department properly determine the Claimant's eligibility for Medicaid and 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. The Claimant is an ongoing recipient of FAP benefits with a monthly allotment of \$169.
2. The Claimant has a monthly deductible of \$ [REDACTED] for Medicaid.
3. On November 1, 2013, the Claimant dropped off documentation of medical expenses to the Department.
4. On November 12, 2013, a Notice of Case Action was issued to the Claimant stating, in part, the monthly FAP allotment would decrease to \$ [REDACTED] per month effective December 1, 2013.
5. The Department also determined that the documentation of medical expenses submitted did not establish that the Claimant has met the monthly deductible for Medicaid.

6. On November 19, 2013, the Claimant filed a request for hearing contesting the Department's determinations.
7. On November 20, 2013, a Notice of Case Action was issued to the Claimant stating, in part, the monthly FAP allotment would increase to \$ [REDACTED] per month effective December 1, 2013.

### **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.

For Medicaid, income eligibility exists for the calendar month tested when there is no excess income or allowable medical expenses equal or exceed the excess income. Deductible is a process which allows a client with excess income to become eligible for Group 2 MA if sufficient allowable medical expenses are incurred. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. Each calendar month is a separate deductible period. A group with excess income can delay deductible for one or more future months based on allowable old bills. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. BEM 545.

BEM 550, 554, and 556 address the FAP budget. In calculating the FAP budget, the entire amount of earned and unearned countable income is budgeted. Every case is allowed the standard deduction shown in RFT 255. BEM 550. All FAP groups receive the mandatory heat and utility standard based on the receipt of \$1 in Low Income Home Energy Assistance Program (LIHEAP). This LIHEAP benefit allows all FAP cases to receive the mandatory heat and utility standard, even if they do not have the responsibility to pay and do not provide verification. A shelter expense is allowed when the FAP group has a shelter expense or contributes to the shelter expense. Certain verified medical expenses are also allowed to be included in the FAP budget. BEM 554.

The Claimant contested the amount of medical expenses the Department has counted. The Eligibility Specialist testified that the Claimant submitted documentation of medical expenses on November 1, 2013. (Exhibit 1, pages 1-127) However, not all of the types of bills and expenses could be entered. Examples include: bills with no billing amounts listed or with a zero balance; amounts the plan paid as shown on monthly prescription drug summaries; and medication lists with no billing amounts.

The Claimant submitted additional medical expense documentation on December 19, 2013, which the Eligibility Specialist indicated will be processed.

The Claimant also stated he will have a large medical expense(s) in January, 2014. The Claimant should provide documentation of the expected medical expense(s) to the Department when this occurs.

Regarding FAP, the Claimant also contested the housing, heat, and utility figures. The Claimant confirmed that he owns his home outright. The Department provided sufficient evidence that the property tax expense and the mandatory heat/utility standard were utilized in the FAP budget accordance with BEM 554.

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 determined the Claimant's eligibility for Medicaid and FAP benefits based on the information available at that time.

### **DECISION AND ORDER**

Accordingly, the Department's decisions are **AFFIRMED**.

/s/ \_\_\_\_\_  
Colleen Lack  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: December 26, 2013

Date Mailed: December 27, 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

CL/hj

cc:

