

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

**IN THE MATTER OF:**

██████████  
████████████████████  
████████████████████

Reg. No.: 2014-5656  
Issue Nos.: 2001, 3001  
Case No.: ██████████  
Hearing Date: December 16, 2013  
County: Wayne (82-43)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**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, an in-person hearing was held on December 16, 2013, from Highland Park, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████  
██████████

**ISSUES**

1. Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits for October 1, 2013, ongoing?
2. Did the Department properly provide Claimant with Medical Assistance (MA) coverage subject to a monthly \$692 deductible?

**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 recipient of MA and FAP benefits.
2. In connection with a redetermination, the Department removed old medical expenses from Claimant's MA and FAP budgets.
3. On September 30, 2013, the Department sent Claimant a Notice of Case Action notifying her that her MA coverage would be subject to a monthly \$692 deductible

effective November 1, 2013, and her monthly FAP benefits would be \$71 effective October 1, 2013.

4. On October 7, 2013, Claimant filed a request for hearing disputing the Department's actions concerning her FAP and MA cases.

### **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.

Additionally, Claimant requested a hearing disputing the Department's calculation of her FAP benefits and her MA deductible. The Department explained that Claimant's FAP benefits had decreased and her MA case became subject to a deductible once old medical expenses that had been erroneously showing as a recurring expense were removed from her FAP and MA budgets.

#### **FAP Benefits**

The Department testified that Claimant was eligible for \$71 in monthly FAP benefits for October 1, 2013, ongoing.

The Department produced an FAP budget showing the calculation of Claimant's FAP benefits for October 2013. The budget showed unearned income of \$1,192, which Claimant verified was her gross monthly Retirement, Survivors and Disability Insurance (RSDI) benefits. Based on the evidence at the hearing, Claimant was eligible for a standard deduction, medical expense deduction and excess shelter deduction.

The Department applied the \$151 standard deduction available to Claimant's FAP group size of one. See RFT 255 (December 2013), p. 1. Because Claimant was a Senior/Disabled/Veteran (SDV) member of her FAP group, she was eligible for a deduction for verified medical expenses exceeding \$35 monthly. BEM 554 (July 2013), p. 1. Because Claimant had a monthly \$104.90 expense for her Medicare Part B

premium, the Department applied a \$70 deduction (the difference between the \$104.90 premium and the \$35 threshold) for medical expenses in the FAP budget. Although there had been ongoing medical expenses previously included in Claimant's FAP budget, the Department established that those expenses were not reported and verified for the benefit period of October 1, 2013, through September 30, 2015, the benefit period that was certified in connection with Claimant's September 2013 redetermination. Accordingly, these expenses could not be considered in Claimant's ongoing FAP budget. BEM 554 (July 2013), p. 8. Claimant confirmed that she had not reported and verified any ongoing medical expenses with or since she had completed her redetermination. Therefore, the Department properly considered a medical expense deduction of \$70.

Claimant was also eligible for an excess shelter deduction, which takes into consideration Claimant's housing expenses and the standard heat and utility expense. BEM 554, pp. 12-19. Claimant's housing expense consisted of her monthly mortgage payment of \$476.37, which Claimant verified included an escrow for her homeowner's insurance policy and property taxes. The FAP budget showed that the Department applied \$553 standard heat and utility deduction available to all FAP recipients. RFT 255, p. 1. Based on this information, the Department calculated Claimant's excess shelter deduction of \$544 in accordance with Department policy. See BEM 556 (July 2013), pp. 4-5.

By reducing Claimant's RSDI income by the deductions described, the Department properly calculated Claimant's monthly net income of \$427 for FAP purposes. A FAP group size of one with monthly net income of \$427 was eligible for monthly FAP benefits of \$71. RFT 260 (October 2013), p. 4. Thus, the Department acted in accordance with Department policy when it calculated Claimant's FAP benefits for October 1, 2013.

At the hearing, Claimant testified that there were additional decreases in her monthly FAP allotment since October 2013. However, because those changes occurred after she filed her October 7, 2013, request for hearing, she was advised to talk to her worker about those changes and to request another hearing if she believed there was an error in the calculation of her benefits.

### **MA Deduction**

In the September 30, 2013, Notice of Case Action, the Department notified Claimant that effective November 1, 2013, her MA coverage was subject to a monthly \$692 deductible.

Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (July 2013), p. 1; BEM 166 (July 2013), p. 2; BEM 544 (July 2013), p. 1; RFT 240 (July 2007), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (July 2013), p. 2.

The monthly PIL for an MA fiscal group size of one living in Wayne County is \$375. RFT 200 (July 2007), p. 1; RFT 240, p. 1. Thus, if Claimant's net income is in excess of \$375, she may become eligible for MA assistance under the deductible program, with the deductible equal to the amount that her monthly net income less allowable deductions exceeds \$375.

In this case, the Department did not present a budget showing the calculation of Claimant's deductible. However, Claimant confirmed that she received monthly RSDI income of \$1,192. Applying a \$20 unearned income disregard results in Claimant having net unearned income for MA purposes of \$1,172. See BEM 530 (July 2013), p. 1; BEM 541 (July 2013), p. 3. Claimant was eligible for a deduction for the monthly \$104.90 Medicare Part B premium that she paid from her RSDI benefits, decreasing her net income to \$1,067. BEM 544, pp. 1-2. The evidence at the hearing established that Claimant was not eligible for any other needs deductions. See BEM 544, pp. 1-2. Because Claimant's net income of \$1,067 exceeded the applicable \$375 PIL by \$692, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$692 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 it found Claimant eligible for monthly FAP benefits of \$71 effective October 1, 2013 and MA subject to a \$692 monthly deductible effective November 1, 2013, ongoing.

### **DECISION AND ORDER**

Accordingly, the Department's decision is AFFIRMED.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: December 18, 2013

Date Mailed: December 18, 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

ACE/pf

cc: [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]