

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

**IN THE MATTER OF:**

Reg. No: 201330585  
Issue No: 3015, 2026

[REDACTED]

[REDACTED]

**ADMINISTRATIVE LAW JUDGE:** Aaron McClintic

**HEARING DECISION**

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on [REDACTED]. Claimant appeared along with her daughter, [REDACTED], and both testified. The Department was represented by [REDACTED].

**ISSUE**

Was the Department correct in closing Claimant's Food Assistance Program (FAP) benefits due to excess income and was the Department correct in determining Claimant's Medical Assistance Program (MA) benefits and deductible amount?

**FINDINGS OF FACT**

The Administrative Law Judge, based upon the competent, material and substantial evidence on the whole record, finds as material fact:

1. On [REDACTED] the Department determined that Claimant had a \$ [REDACTED] deductible for the Medicaid program and that Claimant's FAP case was closing due to excess income.
2. Claimant receives \$ [REDACTED] unearned income from social security benefits.
3. Claimant requested a hearing on [REDACTED] contesting the determination of MA benefits and closure of FAP benefits.

**CONCLUSIONS OF LAW**

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency )

administers the MA program pursuant to MCL 400.10, *et seq.*, and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Program Reference Manual (PRM).

The Medical Assistance program was designed to assist needy persons with medical expenses. The State of Michigan has set guidelines for income, which determines if a MA group falls within the needy classification. Under BEM Items 544 and 545, an eligible Medical Assistance group (Group II MA) has income the same as or less than the "protected income level" plus medical insurance premiums as set forth in the policy contained in the program reference table. An individual or MA group whose income is in excess of the monthly protected income level is ineligible to receive MA. However a MA group may become eligible for assistance under the deductible program.

A deductible is a process, which allows a client with excess income to be eligible for MA, if sufficient allowable medical expenses are incurred. Each calendar month is a separate deductible period. The fiscal group's monthly excess income is called the deductible amount. Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month. The MA group must report expenses by the last day of the third month following the month it wants medical coverage. BEM 545; 42 CFR 435.831.

In the present case, Claimant is contesting the deductible amount for her MA benefits. Claimant receives \$ [REDACTED] gross per month in social security benefits. After subtracting \$ [REDACTED] for the general exclusion, the Department determined that Claimant had net income of \$ [REDACTED] which exceeds the monthly protected income level for a 1 person household of \$ [REDACTED] by \$ [REDACTED] per month. Claimant was consequently ineligible to receive Medical assistance. However, under the deductible program, if the Claimant incurs medical expenses in excess of \$ [REDACTED] during the month, he may then be eligible for Medical Assistance. This ALJ finds that the Department has acted in accordance with Department policy and law in denying ongoing Medical assistance and determining her deductible amount. Claimant did not contest the income amounts used by the Department in calculating her deductible amount.

The Food Assistance Program, formerly known as the Food Stamp ("FS") 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"). The Department of Human Services ("DHS"), formally known as the Family Independence Agency, administers the FAP program pursuant to MCL 400.10, *et seq* and MAC R 400.3001-3015. Departmental policies are found in the Bridges Administrative Manual ("BAM"), the Bridges Eligibility Manual ("BEM"), and the Program Reference Manual ("PRM").


The federal regulations define household income to include all earned income. 7 CFR 273.9(b). All monthly income must be converted to a nonfluctuating monthly amount. Only 80% of earned income is counted in determining FAP benefits. BEM 550. Under

7 CFR 273.9, as amended, \$ [REDACTED] is deducted from the gross income of FAP recipients in determining FAP grants.

In the present case, according to the aforementioned policy on budgeting, Claimant's household has \$ [REDACTED] unearned income from social security benefits and \$ [REDACTED] in earned income. Claimant's household has \$ [REDACTED] in total income. Subtracting \$ [REDACTED] from \$ [REDACTED] results with \$ [REDACTED] adjusted gross income. A household of 2 with a net monthly income of \$ [REDACTED] is entitled to a monthly FAP grant of \$ [REDACTED] per month. RFT 260. Therefore, the Department's determination of benefits and closure of FAP is proper and correct.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law decides that the Department was correct in the determination of MA deductible amount and in closing Claimant's FAP case, and it is **ORDERED** that the Department's decision is hereby **AFFIRMED**.

  
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**Aaron McClintic**  
Administrative Law Judge  
For Maura Corrigan, Director  
Department of Human Services

Date Signed: April 8, 2013

Date Mailed: April 8, 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,

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- 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

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cc:

