

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

IN THE MATTER OF:



Reg. No.: 2013-69407
Issue No.: 2015, 3002
Case No.: [REDACTED]
Hearing Date: November 20, 2013
County: Wayne (19)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

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 20, 2013, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Specialist.

ISSUES

The first issue is whether DHS properly determined Claimant's Food Assistance Program (FAP) eligibility, effective [REDACTED]/2013.

The second issue is whether DHS properly determined Claimant's Medical Assistance (MA) eligibility.

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 FAP and MA benefit recipient.
2. Claimant was a member of a three-person household that included her two minor children.
3. Claimant received \$850/month in gross insurance payments.

4. Claimant received approximately \$30/week in child support income.
5. On [REDACTED] 13, DHS determined that Claimant was eligible for Medicaid subject to a \$126/month deductible (see Exhibits 4-5).
6. On [REDACTED]/13, DHS determined Claimant to be eligible for \$327/month in FAP benefits (see Exhibits 4-5).
7. DHS later recalculated Claimant's eligibility for [REDACTED]/2013 and determined Claimant to be eligible for \$424 in FAP benefits.
8. On [REDACTED]/13, Claimant requested a hearing to dispute FAP and MA eligibility for [REDACTED]/2013.

CONCLUSIONS OF LAW

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

Claimant requested a hearing, in part, to dispute a FAP benefit determination, effective 10/2013. Claimant testified that she failed to understand why her FAP eligibility was reduced when her reported expenses increased. As it happened, beginning 10/2013, DHS reduced a standard utility credit, which adversely affected thousands of FAP benefit recipients. Despite the reduction in the utility credit, it cannot be stated with certainty that DHS calculated Claimant's FAP eligibility without going through the entire FAP budget.

BEM 556 outlines the proper procedures for calculating FAP benefit eligibility. DHS presented a FAP budget (Exhibits 1-2) verifying what amounts were factored in the FAP determination.

DHS budgeted \$966 in monthly unearned income. Claimant conceded the amount to be correct, at least as of 8/29/13, the date of the DHS action in dispute.

DHS uses certain expenses to determine net income for FAP eligibility and benefit levels. BEM 554 (11/2012), p. 1. For groups without a senior (over 60 years old), disabled or disabled veteran (SDV) member, DHS considers the following expenses: child care, excess shelter (housing and utilities) up to a capped amount and court-ordered child support and arrearages paid to non-household members. For groups

containing SDV members, DHS also considers the medical expenses for the SDV group member(s) and an uncapped excess shelter expense.

Claimant alleged that she was disabled but conceded that neither DHS nor Social Security Administration determined that she was disabled. An allegation of disability or a pending Social Security Administration application for disability does not amount to being a disabled person (see BEM 550). Claimant is not a disabled individual.

Verified medical expenses for SDV groups, child support and day care expenses are subtracted from a client's monthly countable income. DHS applies a \$35.00 per month copayment to monthly medical expenses. It was not disputed that Claimant had no reported day care, medical or child support expenses.

Claimant's FAP benefit group receives a standard deduction of \$151. RFT 255 (10/2012), p. 1. The standard deduction is given to all FAP benefit groups, though the amount varies based on the benefit group size. The standard deduction is subtracted from the countable monthly income to calculate the group's adjusted gross income. The adjusted gross income amount is found to be \$815.

It was not disputed that Claimant's mortgage and property insurance costs were \$560/month. DHS gives a flat utility standard to all clients. BEM 554 (1/2011), pp. 11-12. The utility standard of \$553 (see RFT 255 (10/2013, p. 1) encompasses all utilities (water, gas, electric, telephone) and is unchanged even if a client's monthly utility expenses exceed the \$553 amount. The total shelter obligation is calculated by adding Claimant's housing expenses to the utility credit; the total shelter amount is found to be \$1113.

DHS only credits FAP benefit groups with what DHS calls an "excess shelter" expense. This expense is calculated by taking Claimant's total shelter obligation and subtracting half of Claimant's adjusted gross income; this amount is found to be \$706; however, because Claimant's FAP group does not have an SDV member, the excess shelter credit is capped at \$478.

The FAP benefit group's net income is determined by taking the group's adjusted gross income and subtracting the allowable excess shelter expense. The FAP benefit group's net income is found to be \$337. 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 \$424, the same amount calculated by DHS.

Claimant disputed whether DHS issued \$424 in FAP benefits in [REDACTED]/2013. Claimant's FAP benefit eligibility may have been reduced beginning [REDACTED]/2013 due to the expiration of the American Reinvestment and Recovery Act of 2009. The evidence established that DHS issued \$424 in FAP benefits to Claimant in [REDACTED]/2013 and that the issuance amount was correct.

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

Claimant also requested a hearing to dispute an MA benefit determination. It was not disputed that DHS determined Claimant to be eligible for Medicaid subject to a \$126/month deductible.

Clients may qualify under more than one MA category. BEM 105 (10/2010), p. 2. Federal law gives them the right to the most beneficial category. *Id.* The most beneficial category is the one that results in eligibility or the least amount of excess income. *Id.* As a non-disabled caretaker to minor children, Claimant is potentially eligible for Medicaid through the Low Income Family (LIF) and Group Two Caretaker (G2C) programs.

The LIF income limit for a four-person LIF group is \$519/month. RFT 243 (7/2007), p. 1. Allowable LIF expenses include: employment income deductions, dependent care expenses child support expenses and guardianship expenses. Claimant did not allege to have any such expenses. It was not disputed that Claimant's LIF group total income was at least \$850/month. DHS properly determined Claimant to be ineligible for LIF.


As a caretaker to minor children, Claimant could also receive Medicaid through G2C. The net income calculation starts with determining Claimant's pro-rated income. This is calculated by dividing Claimant's income (\$850) by a pro-rated divisor. The pro-rated divisor is the sum of 2.9 and the number of dependents (two children). Claimant's pro-rated income is \$173. The income is multiplied by 2.9 to determine the adult's share of the adult's own income (\$501).

Deductions are given for insurance premiums, remedial services and ongoing medical expenses. Claimant did not allege having such expenses. The income limit for G2C eligibility is \$375. RFT 240 (7/2007), p. 1. The amount that Claimant's net income exceeds the income limit is the amount of Claimant's deductible. It is found that DHS properly determined Claimant to be eligible for Medicaid subject to a \$126/month deductible.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's FAP eligibility as \$424/month and MA eligibility as Medicaid subject to a \$126 deductible.

The actions taken by DHS are **AFFIRMED**.


Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: 11/27/2013

Date Mailed: 11/27/2013

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

CG/hw

cc:

