

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

**IN THE MATTER OF:**

[REDACTED]

Reg. No.: 2014-19353  
Issue No.: 2004, 3001, 5001  
Case No.: [REDACTED]  
Hearing Date: January 23, 2014  
County: Oakland (03)

**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 January 23, 2014, from Detroit, Michigan. Participants included the above-named Claimant who appeared by telephone. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Manager.

**ISSUES**

The first issue is whether DHS properly denied Claimant's State Emergency Relief (SER) application due to a lack of emergency.

The second issue is whether DHS properly did not process medical expenses towards Claimant's deductible.

The third issue is whether DHS properly determined Claimant's Food Assistance Program (FAP) 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 eligible for Medicaid subject to a \$628/month deductible.
3. On [REDACTED]/12, Claimant applied for SER seeking assistance with various relocation costs, including moving expenses and security deposit.
4. On [REDACTED]/13, DHS denied Claimant's application due to Claimant not having an emergency.
5. On [REDACTED]/13, Claimant requested a hearing concerning cash, Medicaid, SER and DHS court orders.
6. Prior to [REDACTED]/13, Claimant did not submit sufficient proof of any medical expenses to DHS.
7. Claimant testified that he did not have any dispute concerning cash eligibility.

### **CONCLUSIONS OF LAW**

The State Emergency Relief (SER) program is established by the Social Welfare Act, MCL 400.1-.119b. The SER program is administered by the Department (formerly known as the Family Independence Agency) pursuant to MCL 400.10 and by Mich Admin Code, R 400.7001 through R 400.7049. Department policies are contained in the Department of Human Services Emergency Relief Manual (ERM).

Prior to a substantive analysis of the hearing request, it should be noted that the request noted special arrangements in order for Claimant to participate and/or attend the hearing. The Request for Hearing noted that Claimant had post-traumatic stress syndrome and was 100% homebound. Claimant appeared for the hearing from his home. When Claimant was asked if he needed further accommodations to participate in the hearing, Claimant replied that he needed none.

Claimant testified that he applied for SER seeking assistance to move. Claimant testified that he must be relocated because he states that he is on the second floor of a complex and that he is unable to climb the stairs. Claimant also testified that he has terminal cancer and that his physician recommended that Claimant find a larger living area. Claimant also noted that he cannot move to a residence underneath another residence because the noise would exacerbate his post-traumatic stress syndrome.

It was not disputed that DHS did not provide Claimant an opportunity to verify his circumstances, which allegedly justify relocation. This tends to support a finding that DHS prematurely denied Claimant's SER application. DHS presented testimony that Claimant's circumstances were well known from his repeated SER applications. Thus, it must be determined whether Claimant's stated circumstances meet the requirements for SER eligibility. DHS is to authorize relocation services only if one of the following circumstances exists and all other SER criteria are met:

- (1) homelessness or imminent homelessness;

- (2) to avoid foster care placement of a child;
  - (3) a family must be relocated from unsafe housing for the protection of the children;
  - (4) relocation from condemned housing; or
  - (5) the group is living in a high energy house that cannot be rehabilitated.
- ERM 303 (10/2013), pp. 2-4

Claimant's circumstances do not meet any of the above criteria. Thus, even if Claimant verified having a terminal illness and that he is unable to walk steps, the circumstances do not qualify as an "emergency" as defined by SER policy. Accordingly, DHS properly denied Claimant's SER application.

It should be noted that after DHS denied Claimant's SER application, Claimant's landlord initiated judicial eviction proceedings against Claimant. The subsequent eviction proceedings may meet the emergency requirement for relocation. The proceedings would be relevant to a subsequent SER application but not to Claimant's application dated 12/10/12.

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 alleged that DHS repeatedly failed to process submitted medical expenses towards a Medicaid deductible. It was not disputed that Claimant was eligible for Medicaid subject to a \$628/month deductible.

Meeting a deductible means reporting and verifying allowable medical expenses that equal or exceed the deductible amount for the calendar month tested. BEM 545 (7/2013), p. 11. The group must report expenses by the last day of the third month following the month in which the group wants MA coverage. *Id.* During the hearing, Claimant was asked to fax proof of his previously submitted expenses.

Claimant presented a physician letter (Exhibit 1) dated [REDACTED]/11. The letter stated that Claimant presented with various expenses, which, according to the physician, were medically necessary.

Claimant presented animal hospital bills (Exhibit 4). The bill verified that Claimant was billed \$205.24 for services from [REDACTED]/13.

Claimant presented additional animal hospital documents. A Client Account History (Exhibit 5) showed a running balance but failed to verify any services.

A second bill (exhibit 6) verified an \$89 expense from [REDACTED]/13, which was presumably included in the \$205.24 from [REDACTED]/13. The bill also noted a balance due of \$285.82 but it failed to specify what services were provided for the bill.

A document for a prescription (Exhibit 7) dated [REDACTED]/13 was presented. The document verified a prescription but failed to note any cost.

A physician letter (Exhibit 8) dated [REDACTED]/13 was presented. It was noted that Claimant was in PTSD rehab through [REDACTED]/13 but no expenses were noted.

Claimant presented additional documents (Exhibits 2, 3 and 9). None of these documents were relevant to medical expenses.

It should be noted that medical expenses requires verifying a date of service and amount. Physician letters verifying treatment are not proof of medical expenses because neither the expense amount nor date of service is verified.

Claimant testified that he was responsible for paying \$220/appointment to one physician. Claimant further testified that he saw the physician three times per week, every week. Claimant also testified that he was responsible for paying another physician \$450/month. Claimant testified that he had a service dog to help him with PTSD and that the veterinarian bill from 1 [REDACTED]/13 was a bill he incurred every month. None of Claimant's testimony verified that DHS erred in not factoring medical expenses. If Claimant sees a doctor three times per week, Claimant failed to verify that he incurs expenses from the doctor visits. There was also no reason to believe that Claimant's service dog has regular monthly vet expenses exceeding \$200. The only medical expense that Claimant verified was \$205.24 from [REDACTED]/13. Because Claimant's deductible exceed his verified medical expenses, DHS had no reason to process Medicaid for Claimant. Accordingly, DHS did not err in failing to process Claimant's submitted medical expenses.

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 issuance to be effective 1/2014. BEM 556 outlines the procedures for determining FAP benefit eligibility.

Claimant testified that he received \$1188/month in RSDI benefits and \$123/month in Veteran's Administration benefits. Thus, Claimant conceded to having income of \$1312/month. DHS budgeted Claimant's FAP eligibility based on income of

\$1205/month. For purposes of this decision, the lower and more favorable to Claimant income of \$1205 income will be accepted as correct.

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. It was not disputed that Claimant was disabled.

Verified medical expenses for SDV groups, child support and day care expenses are subtracted from a client's monthly countable income. It was not disputed that Claimant had no day care or child support expenses. The issue of medical expenses will be addressed later in the analysis.

Claimant's FAP benefit group receives a standard deduction of \$151. RFT 255 (10/2013), 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 \$1054.

It was not disputed that Claimant had a \$799/month rent obligation. 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; this amount is found to be \$1352.

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. Claimant's excess shelter amount is found to be \$825.

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 \$229. 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 for 10/2013 is found to be \$120, the same amount calculated by DHS.

Returning to the issue of Claimant's medical expenses, it was found in the MA benefit analysis that Claimant presented proof of \$205.24 in medical expenses. DHS denied receiving proof of Claimant's expense. Clients must report changes in circumstance that potentially affect eligibility or benefit amount. BAM 105 (9/2012), p. 1. Presentation

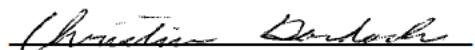
of the expense during the hearing does not verify that DHS received proof prior to Claimant's hearing request submission.

It was verified that Claimant incurred a medical expense from [REDACTED]/13. It is known that Claimant requested a hearing on [REDACTED]/13. Claimant's hearing request failed to specify that DHS failed to process a submitted medical expense. Further, much of Claimant's other testimony was unverified (e.g. terminal illness, having a medical requirement to move, incurring monthly veterinarian expenses). Based on the presented evidence, it is found that Claimant failed to submit proof of his medical expense from [REDACTED]/13. Accordingly, DHS did not fail to process the medical expense. Claimant may still submit the expense to DHS for consideration in future FAP and/or MA budgets.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that Claimant failed to assert a dispute concerning cash assistance or DHS court orders. Claimant's hearing request is **PARTIALLY DISMISSED**.

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly determined Claimant's FAP eligibility beginning 1/2014, properly denied Claimant's SER application dated [REDACTED]/13 and properly did not process unverified medical expenses. The actions taken by DHS are **AFFIRMED**.

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

Date Signed: 1/30/2014

Date Mailed: 1/30/2014

**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:

