

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

**IN THE MATTER OF:**

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

Reg. No.: 2014-25010  
Issue No.: 2007; 3008; 5000  
Case No.: ██████████  
Hearing Date: February 27, 2014  
County: Wayne (18)

**ADMINISTRATIVE LAW JUDGE:** Susan C. Burke

**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 February 27, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included APW ██████████ and APS ██████████.

**ISSUE**

Did the Department properly calculate Claimant's Food Assistance Program (FAP) benefits?

Did the Department properly calculate Claimant's Medical Assistance (MA) deductible?

Did Claimant file a timely hearing request for State Emergency Relief (SER)?

**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 had unearned monthly income of \$ ██████████
2. Claimant had a medical insurance expense of ██████████
3. Claimant had housing costs of ██████████
4. Claimant had a child support obligation of ██████████
5. Claimant was in a group size of one for FAP and MA.

6. Claimant received FAP benefits in the amount of [REDACTED] per month.
7. Claimant's deductible was \$[REDACTED].00 per month.
8. On January 28, 2014, Claimant filed a hearing request, protesting the amount of FAP benefits, the amount of his medical deductible, and a denial of an SER request.
9. Claimant did not receive an SER denial within 90 days of his filing a hearing request.

### **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).

### **FAP**

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.

Additionally, BEM 550 instructs that eighty percent of the earned income of a household be added to unearned income to determine gross income. Adjusted gross income in a household of one is determined by subtracting the standard amount. (RFT 255). Monthly net income for FAP purposes is then determined by subtracting allowable expenses, such as a shelter deduction, if any. BEM 554.

In the present case, Claimant did not dispute the figures used by the Department when it calculated Claimant's FAP benefits. After careful review of the budget presented by the Department, it is found that the Department properly calculated Claimant's FAP benefits.

It is noted that Claimant stated that he has a loan for his house from his father. However, Claimant acknowledged that he did not have a written contract to present as evidence at the hearing. Therefore, the housing costs as input by the Department are found to be correct.

### **MA**

The Medical Assistance (MA) program is established by the 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.

The goal of the Medicaid program is to ensure that essential health care services are made available to those who otherwise could not afford them. Medicaid is also known as Medical Assistance (MA). BEM105

The State of Michigan has set guidelines for income, which determine if an MA group is eligible. Income eligibility exists for the calendar month tested when:

- There is no excess income, **or**
- Allowable medical expenses equal or exceed the excess income (under the deductible guidelines.) BEM 545

Net income (countable income minus allowable income deductions) must be at, or below a certain income limit for eligibility to exist. BEM 105 Income eligibility exists when net income does not exceed the Group 2 needs in BEM 544. BEM 166. The protected income level is a set allowance for non-medical need items such as shelter, food and incidental expenses. RFT 240 lists the Group 2 MA protected income levels based on shelter area and fiscal group size. BEM 544. An eligible Medical Assistance group (Group II MA) has income the same as or less than the “protected income level” 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, an 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

The monthly protected income level for an MA group of one living in Wayne County is ██████████ per month. RFT 200, 240 In determining net income, a standard deduction of \$████████ is deducted for SSI-related Medical Assistance recipients (disabled). 42 GFR 435.811

In the present case, Claimant’s net income (\$████████) exceeds the monthly protected income level (████████0) by ██████████ per month. Claimant is consequently ineligible to receive medical assistance. However under the deductible program, if Claimant incurs medical expenses in excess of ██████████0 during the month, he may then be eligible for MA.

This ALJ finds that the Department has acted in accordance with Department policy and law imposing the stated deductible.

**SER**

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 found in the Department of Human Services State Emergency Relief Manual (ERM).

Regulations governing the hearing and appeal process for applicants and recipients of public assistance in Michigan are found in Mich Admin Code, R 400.901 through R 400.951. Rule 400.903(1) provides as follows:

An opportunity for a hearing shall be granted to an applicant who requests a hearing because [a] claim for assistance is denied or is not acted upon with reasonable promptness, and to any recipient who is aggrieved by a Department action resulting in suspension, reduction, discontinuance, or termination of assistance.

A request for hearing must be in writing and signed by the claimant, petitioner, or authorized representative. Rule 400.904(1). Moreover, the Department of Human Services Bridges Administrative Manual (BAM) 600, p. 5, provides in relevant part as follows:

The client or authorized hearing representative has *90 calendar days from the date of the written notice of case action to request a hearing*. The request must be received anywhere in DHS within the 90 days. [Emphasis added.]

In the present case, Claimant acknowledged at the hearing that the Department denied an SER application approximately three years prior to this hearing. In addition, Claimant has not recently applied for SER.

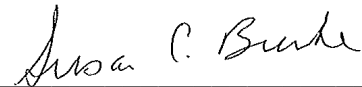
Claimant's hearing request regarding SER was not timely filed within ninety days of the Notice of Case Action and is, therefore, **DISMISSED** for lack of jurisdiction. BAM 600, p. 5.

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 calculated Claimant's MA deductible and FAP monthly benefit amount.

**DECISION AND ORDER**

Accordingly, the Department's FAP and MA decision is AFFIRMED.

It is further ORDERED that Claimant's hearing request for SER is DISMISSED for lack of jurisdiction.



**Susan C. Burke**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 6, 2014

Date Mailed: March 6, 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

SCB/tm

cc:

