

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

**IN THE MATTER OF:**

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

Reg. No.: 2014-27330  
Issue No(s): 2001;3000  
Case No.: ██████████  
Hearing Date: March 12, 2014  
County: Wayne (57)

**ADMINISTRATIVE LAW JUDGE:** Zainab Baydoun

**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 three way telephone hearing was held on March 12, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, Family Independence Manager.

**ISSUE**

Did the Department properly process Claimant's Food Assistance Program (FAP) and Medical Assistance (MA) benefits?

**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 FAP and MA benefits.
2. Claimant was previously receiving MA benefits under the Ad Care program.
3. On January 23, 2014, the Department sent Claimant a Notice of Case Action informing her that effective March 1, 2014, her Ad Care MA case would be closed and that she was approved for MA benefits under the Group 2 Caretaker Relatives (G2C) program with a monthly deductible of \$338. (Exhibit 1)
4. On February 2, 2014, Claimant submitted a hearing request disputing the Department's actions.

## 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.

The hearing was requested to dispute the Department's action taken with respect to Claimant's FAP benefits. Shortly after commencement of the hearing, Claimant testified that she understands and is satisfied with the actions taken by the Department and that she no longer had any issues to address with respect to her FAP benefits. Claimant further confirmed that she did not wish to proceed with the hearing concerning her FAP benefits. The Request for Hearing was withdrawn. The Department agreed to the dismissal of the hearing request. Pursuant to the withdrawal of the hearing request filed in this matter, the Request for Hearing regarding the FAP is hereby **DISMISSED**.

### **MA**

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.

Claimant submitted a hearing request disputing the Department's actions with respect to her MA benefits. At the hearing, the Department testified that Claimant was no longer eligible for MA under the Ad Care program because her income exceeded the limit. Income eligibility for the Ad-Care program exists when net income does not exceed the income limit in RFT 242. BEM 163 (July 2013), p. 2. The Department is to determine countable income according to SSI-related MA policies in BEM 500 and 530 *except* as explained in the countable RSDI section of BEM 163. The Department will also apply the deductions in BEM 540 (for children) or 541 (for adults) to countable income to determine net income. BEM 163, p.2. Effective April 1, 2013, the monthly income limit for a group size of one is \$[REDACTED]. RFT 242 (December 2013), p. 1.

The Department testified that prior to March 1, 2014, Claimant was eligible for a [REDACTED] deduction to her MA income budget based on an unearned allocation to non-SSI related children. BEM 541(January 2014), pp. 2-3. The Department failed to present any

evidence as to why Claimant was no longer eligible for the unearned allocation to non-SSI related children deduction, effective March 1, 2014.

The Department stated that it activated MA benefits under the G2C program, with a monthly deductible of \$[REDACTED]. Individuals are eligible for Group 2 MA coverage when net income (countable income minus allowable income deductions) does not exceed the applicable Group 2 MA protected income levels (PIL), which is based on shelter area and fiscal group size. BEM 135 (July 2013), p 1; BEM 544 (July 2013), p 1; BEM 545(July 2013); RFT 200 (July 2007);RFT 240 (July 2007), p 1. A fiscal group is established for each person requesting MA and budgetable income is determined for each fiscal group member. BEM 211 (July 2013); BEM 536 (July 2013). A multi-step process is utilized when determining a fiscal group member's income. BEM 536, pp. 1-5. Thus, if Claimant's net monthly income is in excess of the PIL, she may become eligible for assistance under the deductible program, with the deductible being equal to the amount that her monthly income exceeds PIL.

Although the Department produced a Group 2 FIP Related MA budget showing how the deductible in Claimant's case was calculated, and testified that it considered Claimant's unearned income from RSDI, the Department remained unable to explain exactly what income amounts were used or the number of dependents applied to the budget in calculating the total net income. (Exhibit 2). Therefore, the Department has failed to satisfy its burden in establishing that it acted in accordance with Department policy when it determined that Claimant was eligible for MA with a deductible of [REDACTED]

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 failed to satisfy its burden of showing that it acted in accordance with Department policy when it terminated Claimant's MA benefits under the Ad Care program due to excess income and determined that she was eligible for MA under the G2C program with a [REDACTED] monthly deductible.

### **DECISION AND ORDER**

Accordingly, Claimant's hearing request with respect to FAP is DISMISSED and the Department's MA decision is REVERSED.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Redetermine Claimant's eligibility for MA benefits under the Ad Care program effective March 1, 2014, taking into account her eligibility to receive the unearned allocation to non-SSI related children;

2. If ineligible for Ad Care, recalculate Claimant's G2C deductible for March 1, 2014, ongoing;
3. Issue supplement to Claimant for any MA benefits that she was entitled to receive but did not from March 1, 2014, ongoing; and
4. Notify Claimant in writing of its decision.



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**Zainab Baydoun**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 14, 2014

Date Mailed: March 14, 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

2014-27330/ZB

Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-07322

ZB/tm

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