

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

**IN THE MATTER OF:**



Reg. No.: 201418749  
Issue No.: 2001; 3008  
Case No.: [REDACTED]  
Hearing Date: February 26, 2014  
County: Wayne (18)

**ADMINISTRATIVE LAW JUDGE:** Alice C. Elkin

**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 26, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Family Independence Manager, and [REDACTED], Eligibility Specialist.

**ISSUE**

Did the Department properly provide Claimant with Medical Assistance (MA) coverage?

Did the Department properly calculate Claimant's Food Assistance Program (FAP) monthly allotment for February 1, 2014, ongoing?

**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 recipient.
2. On December 23, 2104, the Department sent Claimant a Notice of Case Action notifying her that her monthly FAP benefits were decreasing to \$15 effective February 1, 2014.
3. On December 17, 2014, Claimant filed a request for hearing concerning the amount of her FAP benefits and denial of MA benefits.

## **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).

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 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.

Additionally, Claimant requested a hearing to dispute her FAP amount and her MA status.

### **MA Issue**

At the hearing, the Department testified that Claimant was an ongoing recipient of MA benefits as of August 1, 2013, subject to a monthly deductible of \$711 (which increased to \$837 in February 2014). The Department presented an eligibility summary showing Claimant had MA coverage consistent with its testimony. The eligibility summary also showed that Claimant had been approved for December 1, 2013 ongoing for Medicare Savings Program benefits under the Additional Low Income Medicare Beneficiaries (ALMB) program, which provides for the State's payment of Claimant's Medicare Part B premiums when the Department of Community Health concludes that funding is available. Claimant acknowledged that her most recent Retirement, Survivors and Disability Insurance (RSDI) payment did not have a deduction for Part B premiums.

Because the Department established that Claimant had MA coverage subject to a monthly deductible from August 1, 2013 ongoing and MSP coverage from December 1, 2013, ongoing, Claimant was not an aggrieved party with respect to any MA issues. See Mich Admin Code, R 900.403(1). Accordingly, Claimant's December 17, 2013 hearing request concerning the MA issue is dismissed.

There was evidence presented at the hearing that Claimant had been notified that effective March 1, 2014, her MA coverage was converting to a Plan First Plan, which provides family planning services to women who would not have coverage for these services and do not have other comprehensive health insurance. See BEM 124 (January 2014), p. 1. Because Claimant was notified of this change after she filed her

December 23, 2013 hearing request, she was advised to request another hearing if she wished to dispute the change in MA coverage.

### **FAP Calculation**

Claimant was also concerned regarding the calculation of her monthly FAP benefits.

The December 23, 2013 Notice of Case Action showed that Claimant's monthly FAP allotment decreased to \$15 effective February 1, 2013. The Department presented a FAP net income budget showing the calculation of benefits. The budget showed that Claimant had gross monthly unearned income of \$1250, which Claimant confirmed was her monthly RSDI benefits. Claimant also confirmed that she was the only member of her FAP group and that she received RSDI because of a disability. As such, she was a senior/disabled/veteran (SDV) member of her FAP group. See BEM 550 (July 2013), p. 6. Based on this information, she was eligible for the following deductions from her gross income under Department policy:

- a standard deduction of \$151 based on her one-person group size (RFT 255 (December 2013), p. 1; BEM 556 (July 2013), p. 4);
- an excess shelter deduction of \$404, which takes into account Claimant's monthly housing expenses of \$399.82 and the \$553 heat and utility standard that applies to all FAP recipients regardless of actual utility expenses and group size (RFT 255, p. 1; BEM 554 (July 2013), pp. 1, 12-15); and
- expenses for child care, child support and medical expenses in excess of \$35 (BEM 554, p. 1).

The Department presented evidence which supported its calculation of Claimant's housing expenses and Claimant testified that she believed that the information used was correct. Claimant admitted she had no child care or child support expenses.

At the hearing, Claimant testified that, as of February 1, 2014, she had received her full RSDI payment, with no deduction for her Part B Medicare premium. Therefore, she was not eligible for a medical expense deduction for this premium. However, she testified that she had other out-of-pocket medical expenses in excess of \$35.

For SDV clients, the Department may estimate the client's ongoing medical expenses for the FAP benefit period based on verified allowable medical expenses, available information about the SDV member's medical condition and health insurance, and changes that can reasonably be anticipated to occur during the benefit period. BEM 554, p. 6. The Department may also process medical expenses during the benefit period that are voluntarily reported and verified during the benefit period or that are reported by another source if the Department has sufficient information and verification to determine the allowable amount without contacting the FAP group. BEM 554 (October 2012), pp 6-7. Expenses are budgeted for the month they are billed or otherwise become due. BEM 554, p. 3. FAP groups that do not have a 24-month benefit period may choose to budget a one-time-only medical expense for one month or average it over the balance of the benefit period, with the expense considered in the first benefit month the change can affect. BEM 554, p. 7. However, the medical bill may

not be overdue, which means that (i) the bill is currently incurred (for example, in the same month or ongoing) or (ii) the bill is currently billed (the client received the bill for the first time for a medical expense provided earlier and the bill is not overdue) or (iii) the client made a payment arrangement before the medical bill became overdue. BEM 554, p 9.

In this case, Claimant did not clearly identify any currently-billed medical expenses she provided to the Department during the benefit period, and the Department testified that no current bills were submitted in December 2013. Based on this evidence, the Department properly did not consider any medical expenses in the February 2014 budget. Claimant was advised to submit her out-of-pocket medical expenses to the Department for consideration in her FAP budget in accordance with policy.

Based on the information available to the Department at the time the budget was prepared, the Department properly reduced Claimant's \$1250 gross income by the \$151 standard deduction and a \$404 excess shelter deduction. This results in monthly net income of \$695. Based on net income of \$695 and a FAP group size of one, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for monthly FAP benefits of \$15. BEM 556; RFT 260 (December 2013), p. 2.

### **DECISION AND ORDER**

Because the Department established that Claimant had MA coverage subject to a monthly deductible from August 1, 2013 ongoing and MSP coverage from December 1, 2013 ongoing, Claimant's December 17, 2013 hearing request concerning the MA issue is DISMISSED.

The Department's FAP decision is AFFIRMED.



**Alice C. Elkin**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: March 4, 2014

Date Mailed: March 4, 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

ACE/tif

cc:

