

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

**IN THE MATTER OF:**



Reg. No.: 14-012959  
Issue No.: 3008, 2007  
Case No.: [REDACTED]  
Hearing Date: October 29, 2014  
County: WAYNE-18 (TAYLOR)

**ADMINISTRATIVE LAW JUDGE: Lynn Ferris**

**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 October 29, 2014, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Human Services (Department) included [REDACTED], Assistance Payments Supervisor, and [REDACTED], Hearing Facilitator and Eligibility Specialist.

**ISSUE**

Did the Department properly calculate the Claimant's Food Assistance benefit amount?  
Did the Department have any obligation to process Claimant's medical bills?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Claimant was an ongoing recipient of food assistance, and reported that her child was no longer a group member living in the household on June 1, 2014.
2. The Department issued a notice of case action on September 23, 2014, approving the Claimant for \$ [REDACTED] month in food assistance benefits based upon a group size of one person. Exhibit 5.
3. The Claimant applied for medical assistance and was approved by the Department on April 9, 2014, effective April 1, 2014, with eligibility due to SSI status as of June 1, 2011. Exhibit 1. The Claimant was approved for SSI effective June 1, 2011. Exhibit 4 and Exhibit 2.

4. The Claimant requested a hearing on September 9, 2014, protesting the closure of her food assistance and the failure of the Department to assist her with medical bills.

### **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 273. The Department (formerly known as the Family Independence Agency) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001 to .3015.

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Family Independence Agency) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Additionally, in this case the first issue was whether the Department had properly calculated the Claimant's food assistance allotment. The Department presented a food assistance FAP Net EDG Income Results and a FAP Excess Shelter Deduction calculation. These documents were reviewed at the hearing, and it was determined that the Claimant received a reduction in food assistance due to the fact that her SSI had increased to [REDACTED] per month ([REDACTED] SSI and [REDACTED] Michigan quarterly Supplement), and her group size had reduced by one member as her daughter no longer was living with her. Based on the information the Department had available, it is determined that the Department should have included shelter expenses including a lot rental of [REDACTED]. It was not clear from the record whether the Department sought verification of housing expenses due to the reduction of the group size. It is noted, however, that the August 2014 budget included housing expenses of [REDACTED] and the September budget includes zero for housing expenses. The Claimant credibly testified that she resists pays a lot rent of \$[REDACTED] and a house note \$[REDACTED]. The Department had lot rent verified of [REDACTED], but did not include it. The Claimant also provided the Department a copy of her money order for her house note, and the Department found that this did not verify the amount of her note. The Claimant was in the hospital at that time and explained she could not provide other information at that time.

The FAP budget was incorrect, as the Department did not include the lot rent of \$[REDACTED] as a housing expense for September 2014. As regards the house note, the Department took the position that the Claimant's money order she provided to verify her house payment was not sufficient.

BEM 554 (7/1/14) pp. 14 provides:

Acceptable verification sources include, but are **not** limited to:

- Mortgage, rental or condo maintenance fees contracts or a statement from the landlord, bank or mortgage company.
- Cancelled checks, receipts or money order copies, if current. The receipt must contain minimum information to identify the expense, the amount of the expense, the expense address if verifying shelter, the provider of the service and the name of the person paying the expense.

As a copy of the money gram was not provided as evidence at the hearing, the Department must determine whether the money order copy sufficiently identified the expense, amount of the expense, the expense address, the provider of the service and name of person paid, per the requirements of BEM 554. If the Department determines that the money order sufficiently verifies the note payment expense, then it should have been included in the September FAP calculation; if not, the Department must await receipt from the Claimant of a monthly house note payment invoice and then include the note expense.

As regards the Claimant's request for outstanding medical expenses, the Claimant indicated that she had paid medical expenses out of her own pocket that were not paid by Medicaid. At the time of the hearing, no medical bills had been presented by the Claimant. The Department does not reimburse medical bills, and has no authority to reimburse the Claimant for medical expenses, that reimbursement can only be done by Medicaid or her private insurance. Thus, there is nothing to be decided by the undersigned on Claimant's hearing request regarding reimbursement for medical bills paid out of pocket.

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 did not take any action on the Claimant's claim regarding her out of pocket payment of medical bills, for the reason that the Department cannot reimburse medical bills.

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 the Department did not act in accordance with Department policy when it calculated the Claimant's FAP budget without including lot rent 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 the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it did not present the money order presented by the Claimant as evidence of shelter expense for her house note payment, so it could be determined whether the document met the requirements of BEM 554.

### **DECISION AND ORDER**

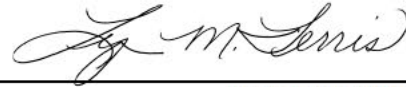
Accordingly, the Department's decision is

AFFIRMED IN PART with respect to taking no action or having responsibilities to process out of pocket medical expenses; and REVERSED IN PART with respect to its determination that the money order for Claimant's house note did not sufficiently verify her shelter expense and when it did not include her [REDACTED] lot rent when calculating the FAP budget.

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. The Department shall recalculate the September 2014 food assistance budget and shall include [REDACTED] lot rent as a shelter expense.
2. The Department shall determine whether or not the Claimant's money order in the amount of [REDACTED] representing her house note payment, sufficiently complied with BEM 554 requirements for verification of housing expense referenced in this Hearing Decision. If the Department determines that the money order sufficiently met the requirements of BEM 554, the Department shall include this house note expense in the September 2014 food assistance budget required to be recalculated in paragraph 1 of this Decision and Order.

3. The Department shall issue a supplement to the Claimant for any FAP benefits she was otherwise entitled to receive in accordance with Department policy.



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**Lynn Ferris**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: November 3, 2014

Date Mailed: November 3, 2014

LMF/tm

**NOTICE OF APPEAL:** A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration 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 party requesting a rehearing or reconsideration 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 this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, 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

cc:

