

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

**IN THE MATTER OF:**

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

Reg. No.: 14-015346  
Issue No.: 2003, 3003  
Case No.: ██████████  
Hearing Date: December 03, 2014  
County: WAYNE (18)

**ADMINISTRATIVE LAW JUDGE: Jacquelyn A. McClinton**

**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 December 3, 2014, from Detroit, Michigan. Participants on behalf of Claimant included Claimant. Participants on behalf of the Department of Human Services (Department) included ██████████, FIM.

**ISSUE**

Did the Department properly close Claimant's Food Assistance Program (FAP) benefits because she exceeded the allowable net income limit?

Did the Department properly determine that Claimant was eligible for Medical Assistance (MA) benefits subject to a deductible?

**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 MA and FAP recipient.
2. On September 30, 2014, Claimant submitted a Redetermination.
3. On October 20, 2014, the Department sent Claimant a Health Care Coverage Determination Notice notifying her that she had been approved for MA benefits subject to a deductible in the amount of \$1,127.00 effective November 1, 2014.
4. Also on October 20, 2014, the Department sent Claimant a Notice of Case Action notifying her that that her FAP benefits would close effective November 1, 2014 because her income exceeded the allowable net income limit.

5. On October 28, 2014, Claimant filed a Request for Hearing 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).

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.

#### **FAP**

Additionally, all countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (January 2014), pp. 1 – 4. In this case, the Claimant requested a hearing because she disagreed with the closure of her FAP benefits.

On September 30, 2014, Claimant submitted a Redetermination. In the Redetermination, Claimant listed her household members which included her sister. Claimant's sister receives unearned income in the total amount of \$755.00. Claimant receives Family Independence Program benefits in the amount of \$158.00. Claimant's employer submitted documentation showing that for the month of September 2014, she earned a gross amount of \$1,592.48.

Claimant objected to her sister's income being included in the FAP budget presented by the Department. Claimant testified that her sister does not give her any money and as such, her sister's income should not be included in the calculation. Department policy holds that the Food Assistance Program group composition is established by determining all of the following:

1. Who lives together.

2. The relationship(s) of the people who live together.
3. Whether the people living together purchase and prepare food together or separately. BEM 212 (July 2014), p. 1.

Further, persons usually share food in common if any of the following conditions exist:

- They each contribute to the purchase of food.
- They share the preparation of food, regardless of who paid for it.
- They eat from the same food supply, regardless of who paid for it.

In general, persons who live together and purchase and prepare food together are members of the FAP group. BEM 212, p. 6.

In Claimant's Redetermination, she indicated that she and her sister buy and fix food together. During the hearing, Claimant testified that "a couple times per week" she and her sister prepare and eat food together. When determining benefits, the Department can only use the information it had at the time the determination was made. In this case, at the time the determination was made, Claimant stated she and her sister buy and prepare food together. Accordingly, it is found that the Department properly included Claimant's sister's income when determining the group's eligibility for FAP benefits.

The FAP budget presented by the Department showed Claimant's gross income, including countable earned and unearned income, as \$2,624.00. Based on Claimant's circumstances, she was eligible for the following deductions from her gross income under Department policy:

- a standard deduction of \$154 based on a three-person group size RFT 255 (December 2013), p. 1; BEM 556, (July 2013) p. 3; and
- an excess shelter deduction of \$290.00 which is based on monthly housing expense of \$800.00, a heat and utility standard of \$553.00. RFT, p. 1.

Using a gross monthly income amount of \$2,624.00 and taking the appropriate deductions, Claimant's monthly net income amount is \$1,837.00. Under Department policy, the net income limit for a group size of three is \$1,650.00. Because Claimant's gross income exceeded the allowable limit, the Department properly concluded that Claimant was ineligible for FAP benefits.

## **MA**

Claimant requested a hearing because she disputed the Department's conclusion that she was eligible for MA subject to a monthly deductible in the amount of \$1,127.00. The Department completed a Medical Budget to determine Claimant's eligibility for MA benefits effective November 1, 2014.

As previously stated, Claimant's employer submitted documentation showing that for the month of September 2014, she earned a gross amount of \$1,592.48. Department policy allows for a \$90 standard work expense deduction to be taken from countable earned income. BEM 536 (January 2014), p. 1. When the \$90 deduction is applied, Claimant's net income is \$1,502.00. Clients are eligible for Group 2 MA coverage when their net income less any allowable needs deductions exceeds the applicable Group 2 MA protected income levels (PIL), which is based on the client's shelter area and fiscal group size. BEM 105 (January 2014), p. 1; BEM 544 (July 2013), p. 1. In such cases, the client is eligible for Group 2 MA coverage under the deductible program with the deductible equal to the amount that the client's monthly income exceeds the PIL. BEM 545 (July 2013), p. 10.

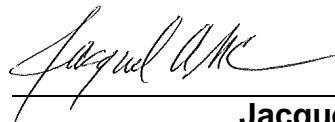
The monthly PIL for an MA fiscal group size of three living in Wayne County is \$375.00 per month. RFT 200 (December 2013), p. 2; RFT 240 (December 2013), p. 1.. Thus, if Claimant's net income is in excess of \$375.00, she may become eligible for MA assistance under the deductible program.

In this case, the Department produced a budget showing how the deductible in Claimant's case was calculated. As discussed above, Claimant's net income totaled \$1,502.00. Because Claimant's net income of \$1,502.00 exceeded the applicable \$375.00 PIL by \$1,127.00, the Department acted in accordance with Department policy when it concluded that Claimant was eligible for MA coverage subject to a monthly \$1,127.00 deductible.

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 determined Claimant was ineligible for FAP benefits and also acted in accordance with Department policy when it found Claimant eligible for MA subject to a \$1,127.00 monthly deductible.

### **DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.



**Jacquelyn A. McClinton**  
Administrative Law Judge  
for Maura Corrigan, Director  
Department of Human Services

Date Signed: **12/5/2014**

Date Mailed: **12/5/2014**

