

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

**IN THE MATTER OF:**

██████████  
██  
██████████  
██

Reg. No.: 15-006376  
Issue No.: 3008  
Case No.: ██████████  
Hearing Date: May 27, 2015  
County: WAYNE-DISTRICT 76  
(GRATIOT/SEVEN M)

**ADMINISTRATIVE LAW JUDGE: Lynn M. 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; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on May 27, 2015, from Detroit, Michigan. Participants on behalf of Claimant included the Claimant. Participants on behalf of the Department of Health and Human Services (Department) included ██████████, Hearing Facilitator.

**ISSUE**

Did the Department properly reduce the Claimant's Food Assistance (FAP)?

Did the Department close the Claimant's Medical Assistance?

**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 requested a hearing regarding the reduction of his Food Assistance and the closure of his Medical Assistance.
2. At the hearing the Department demonstrated that the Claimant, an SSI recipient, has full Medicaid ongoing. Exhibit A
3. The Department reduced the Claimant's FAP benefits to \$16 after he began receiving SSI from SSA in the amount of \$747. (\$733 in SSI and \$14 in State quarter supplement) Exhibit C, D and E. The Claimant only recently began paying

rent and advised the Department in April 2015 and thus the rent was not included in the February 2015 FAP reduction.

4. The Department issued a Notice of Case Action on January 14, 2015 reducing the Claimant's FAP benefits to \$16. Exhibit B. The FAP budget prepared by the Department included gross unearned income of \$747, a group of one, a standard deduction of \$154 and a telephone standard of \$34. The Claimant, at the time of the FAP budget prepared for February, was not paying rent or heat or electricity. Exhibit C.
5. The Claimant requested a hearing on April 13, 2015 protesting the scheduling of a medical appointment and reduction in FAP benefits.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, 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 Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

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 Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, it was determined that the Department erroneously issued a medical examination appointment notice for an examination in error. It was also established that the Claimant had ongoing full Medicaid as a result of his SSI status; thus, there is nothing further to be decided on the hearing request for medical assistance.

The Claimant's FAP budget for February 2015 was reviewed at the hearing. The following facts were confirmed by the Department and the Claimant. The Claimant's unearned income was \$747 which included SSI of \$733 and a State quarterly

supplement of \$14. The Claimant paid no rent at the time of the budget in February 2015 and received \$34 for a phone utility expense. The Claimant also received a standard deduction of \$154 based upon his group size of one person. Based upon the adjusted gross income of \$593 the Claimant was only entitled to FAP benefits of \$16. Previously the Claimant received more benefits due to the fact that he had no income. Once he began receiving SSI, this income had to be included in the FAP benefit calculation and caused the Claimant's benefits to be reduced. The shelter expense did not offset any income as the amount of the expense was only \$34. As discussed at the hearing, the Department could not include any rent expense as none was paid by the Claimant at the time of the February 2015 FAP budget.

All countable earned and unearned income available to the client must be considered in determining the Claimant's eligibility for program benefits. BEM 500 (July 2014), pp. 1 – 4. The Department considers the gross amount of money earned from Supplemental Security Income (SSI) in the calculation of unearned income for purposes of FAP budgeting. BEM 503 (July 2014), pp. 31-32. State SSI Payments (SSP) are issued quarterly in the amount of \$42 and the payments are issued in the final month of each quarter; see BEM 660. The Department will count the monthly SSP benefit amount (\$14) as unearned income. BEM 503, p.33; see RFT 248 (January 2015), p. 1.

The Department concluded that Claimant had unearned income of \$747. Claimant confirmed that his SSI is in the amount of \$733 and had not as yet received his \$14 quarterly supplement although he is eligible. The deductions to income on the net income budget were also reviewed. Claimant is the only member of his FAP group and is a senior/disabled/veteran (SDV) member of the group. BEM 550 (February 2014), pp. 1-2. Groups with one or more SDV members are eligible for the following deductions to income:

- Dependent care expense.
- Excess shelter.
- Court ordered child support and arrearages paid to non-household members.
- Medical expenses for the SDV member(s) that exceed \$35.
- Standard deduction based on group size.
- An earned income deduction equal to 20% of any earned income.

BEM 554 (October 2014), p. 1; BEM 556 (July 2013), p. 3.

After further review, the Department properly reduced Claimant's gross income of \$747 by the \$154 standard deduction, resulting in adjusted gross income of \$593. Exhibit C. In determining monthly net income the Department correctly found that the excess shelter deduction was zero because the only shelter expense was telephone for \$34 and did not result in excess shelter deduction. Fifty percent of the adjusted gross income is deducted from the shelter expenses to determine the excess shelter deduction. Here, 50% of the adjusted gross income is \$296. ( $\$593 \div 2 = \$296$ ). Because \$34 less half the adjusted gross income results in zero, the Department

correctly determined that there was no excess shelter deduction. Based on net income of \$593 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 \$16. BEM 556; RFT 260 (October 2014), p. 8.

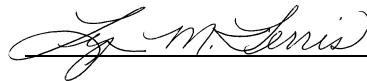
The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it calculated Claimant's FAP benefits and reduced the benefits for February 2015.

The Claimant's hearing request regarding closure of his medical assistance is dismissed as he has full Medicaid and thus nothing remains to be decided.

### **DECISION AND ORDER**

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

**The Claimant's request for hearing regarding Medical Assistance is DISMISSED.**



**Lynn M. Ferris**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

Date Signed: **5/29/2015**

Date Mailed: **5/29/2015**

LMF / cl

**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 copy of the claim or application for appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Hearing Decision from 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 48909-8139

cc:

[REDACTED]