

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

IN THE MATTER OF:

[REDACTED]

MAHS Reg. No.: 15-019609
Issue No.: 2001, 3008
Agency Case No.: [REDACTED]
Hearing Date: January 07, 2016
County: WASHTENAW

ADMINISTRATIVE LAW JUDGE: Gary Heisler

HEARING DECISION

Following Petitioner'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 January 7, 2016, from Lansing, Michigan. The Claimant was represented by herself. The Department of Health and Human Services (Department) was represented by Eligibility Specialist [REDACTED] and Family Independence Manager [REDACTED].

ISSUE

Did the Department determine the proper Food Assistance Program (FAP) eligibility for Claimant on September 18, 2015?

Did the Department properly deny Claimant's September 8, 2015, Medical Assistance (MA) application?

FINDINGS OF FACT

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

1. On September 8, 2015, Claimant submitted an application for Medical Assistance (MA) and Food Assistance Program (FAP) benefits. On the application Claimant indicated that she owned three vehicles and did not know the fair market value of any of the vehicles.
2. On September 18, 2015, Claimant was sent a Notice of Case Action (DHS-1605) which stated she was eligible for \$ [REDACTED] per month of Food Assistance Program (FAP) benefits.

3. On October 6, 2015, Claimant was sent a Health Care Coverage Determination Notice (DHS-1606) which stated she was eligible for Medicare Savings Program benefits from September 1, 2015 and was not eligible for Medical Assistance (MA) from September 1, 2015 due to excess assets.
4. On October 19, 2015, Claimant submitted a hearing request.

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).

Food Assistance Program (FAP)

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.

During this hearing Claimant's income and expenses, at the time of the Food Assistance Program (FAP) eligibility determination, were verified. The Food Assistance Program (FAP) budget was reviewed and the Department properly computed the claimant's net income and expenses. The federal regulations at 7 CFR 273.10 provide standards for the amount of a household's benefits. The Department in compliance with the federal regulations has prepared income limit and issuance tables which are set forth at Program Reference Manual, Table 250 and Table 260. The tables provide that a household with household size and net income of the Claimant's is eligible for a Food Assistance Program (FAP) allotment of \$ [REDACTED]

Medical Assistance (MA)

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.

Bridges Eligibility Manual (BEM) 400 Assets provides the following guidance on vehicle assets:

VEHICLES

SSI-Related MA Only and FAP

A **vehicle** is a device used to transport people or goods. Vehicle includes passenger cars, trucks, motorcycles, motorbikes, trailers, campers, motor homes, boats and all-terrain vehicles.

Vehicle Value

SSI-Related MA Only

The value of a vehicle is its equity value. Equity value is the fair market value minus the amount legally owed in a written lien provision.

Liens must be on record with the Secretary of State or other appropriate agency.

VEHICLE EXCLUSIONS SSI-RELATED MA ONLY

Exclude one motorized vehicle owned by the asset group. If the asset group owns multiple motorized vehicles:

Use the Employment Asset Exclusions first, then
From any remaining motorized vehicles, exclude the one with the highest equity value.

VERIFICATION REQUIREMENTS

FIP, SDA, RCA, G2U, G2C, RMA, SSI-Related MA Only, and FAP

Do **not** require verification when countable assets exceed the limit based on a person's own statement of value.

VERIFICATION SOURCES

FIP, SDA, RCA, G2U, G2C, RMA, SSI-Related MA Only, and FAP

Vehicles

Title, registration or proof of insurance.

Loan statement or payment book.

Secretary of State (SOS) inquiry. This inquiry needs to be done only if no other verification source is available or if the client requests assistance.

To determine value of the vehicle, do the following:

Use Kelley Blue Book fair condition option at (www.kbb.com) or NADA Book at (www.nadaguides.com) wholesale (rough trade-in) value. When comparing the value between the two sources, use the lowest value.

Do **not** add the value of optional equipment, special equipment or low mileage when determining value.

Enter the greater of actual mileage or 12,000 per year.

Note: For FAP, accept the client's statement on the actual mileage.

Enter the client's ZIP code.

Do **not** change the preset typical equipment.

Enter "fair" as the condition.

Use the lowest trade-in value.

Statement of vehicle dealer or junk dealer, as appropriate.

Allow the person to verify a claim that the vehicle is worth less (example: due to damage) than wholesale book value. If the vehicle is no longer listed, accept the person's statement of value.

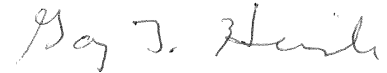
Note: For FAP, if the client disputes the fair market value of a vehicle, verification of the value from a reliable source is required.

In this case Claimant did not make any claim regarding the value of any vehicle until the hearing request was submitted. The Department excluded the vehicle with the highest value. The policy cited above only requires for value verification beyond blue book for Food Assistance Program (FAP) eligibility.

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's Food Assistance Program (FAP) eligibility on September 18, 2015 and denied Claimant's September 8, 2015, Medical Assistance (MA) application.

DECISION AND ORDER

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



Gary Heisler
Administrative Law Judge
for Nick Lyon, Director
Department of Health and Human Services

Date Mailed: **1/15/2016**

GH/nr

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:

